



34th
ANNUAL REPORT 2024-25

LACTOSE (INDIA) LIMITED

LACTOSE (INDIA) LIMITED

BOARD OF DIRECTORS

Shri. Atul Maheshwari	<i>Managing Director</i>
Smt. Sangita Maheshwari	<i>Whole Time Director & C.F.O.</i>
Shri. Nandan Srinath	<i>Non-Executive, Independent Director</i>
Shri. Chandra Mohan Bhagavatula	<i>Non-Executive, Independent Director</i>
Shri. Dhaval Jayant Soni	<i>Non-Executive, Independent Director</i>

AUDITORS

D M K H & Co. Chartered Accountants

803/4, Ashok Heights Nicco Circle, Old Nagardas Lane, Near Bhuta School, Gundavali, Andheri (East), Mumbai - 400 069

COST AUDITORS

M/s. KIRIT MEHTA & CO., Cost Accountants

3/ 423-424, Ramjharukha Society, S.V. Road, Andheri (West), Mumbai – 400 058.

BANKERS

Bank of Baroda

44, Shree Krupa, M G Road, Ghatkopar West, Mumbai 400086.

REGISTERED OFFICE & WORKS

Survey No. 5,6 & 7A Village Poicha (Rania), Savli, Dist. Vadodara, Gujarat - 391780

OTHER INFORMATION

ISIN No. - INE058I01013

BSE Scrip Code - 524202

Company Identification

No: L15201GJ1991PLC015186

CORPORATE OFFICE

Unit No. G-02, 'A' Wing, Ground Floor, Navbharat Estates, Zakaria Bunder Road, Sewri (West), Mumbai - 400 015

REGISTRAR & SHARE TRANSFER AGENT

Big Share Services Pvt. Ltd.

Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India

SECRETARIAL AUDITOR

M/s. Jajodia & Associates

Office No. 30, Laxmi Niwas, 1st Floor, 2nd Panjrapole Lane, C.P. Tank, Mumbai - 400 004.

INTERNAL AUDITOR

A M S & CO.

304, Rainbow Chambers, S.V. Road, Near MTNL Tel. Exchange, Kandivali (West), Mumbai-400067.

COMPANY SECRETARY

Mr. Ritesh Pandey

Company Secretary & Compliance Officer

Contents	Page No
Corporate Information	2
Notice	3
Directors Report	13
Management Discussion & Analysis Report	38
Independent Auditors Report	40
Balance Sheet	48
Statement of Profit and Loss	49
Cash Flow	50
Notes to the Financial Statements	53

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 34TH ANNUAL GENERAL MEETING OF THE MEMBERS OF LACTOSE (INDIA) LIMITED WILL BE HELD ON TUESDAY, 30TH SEPTEMBER 2025 AT 12:00 NOON THROUGH ELECTRONIC MODE [VIDEO CONFERENCING (“VC”) OR ANY OTHER AUDIO-VISUAL MEANS (“OAVM”)] TO TRANSACT THE FOLLOWING BUSINESS:

THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY SITUATED AT SURVEY NO. 5, 6, & 7A VILLAGE POICHA (RANIA), SAVLI, BARODA – 391780.

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2025, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Sangita Maheshwari (DIN: 00369898), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this regard, 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 Sections 139 to 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/S. D M K H & Co., Chartered Accountants, (ICAI Registration No. 116886W) have confirmed their eligibility to be appointed as Auditors, in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules, be and are hereby appointed as Statutory Auditors of the Company, to hold office for a period of five years from the conclusion of this Annual General Meeting until the conclusion of the 38th Annual General Meeting of the Company on such remuneration as agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT Mr. Atul Maheshwari, Managing Director or Mrs. Sangita Maheshwari, Whole Time Director or Mr. Ritesh Pandey, Company Secretary and Compliance Officer, be and are hereby authorized to sign and/or submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.”

4. To appoint the Secretarial Auditors of the Company and to fix their remuneration and in this regard, 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 Sections 204 and all other applicable provisions, if any, of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof) the consent of the members be and is hereby accorded to appoint M/s. Jajodia & Associates, Practising Company Secretary as Secretarial Auditors of the Company for term of 5 (Five) years, to hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the FY 2030-31 on such terms and remuneration as mutually agreed upon between the said Secretarial Auditor and the Board of Directors of the company.

RESOLVED FURTHER THAT Mr. Atul Maheshwari, Managing Director or Mrs. Sangita Maheshwari, Whole Time Director or Mr. Ritesh Pandey, Company Secretary and Compliance Officer, be and is hereby authorized to sign and submit the necessary application and Forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.”

SPECIAL BUSINESS

5. Regularization of Mr. Kishor Patel as Non-executive Independent Director.

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

“**RESOLVED THAT** pursuant to provision of Section 149, 150, 152 read with Schedule IV to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Kishor Patel (DIN: 00740301) who was appointed as an Additional Non-Executive Independent Director of the Company w.e.f. 22nd August, 2025 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing his candidature for the office of the Director and declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for the maximum period upto 21st August, 2030.”

RESOLVED FURTHER THAT Mr. Kishor Patel shall not be liable to retire by rotation during his tenure as a Non-Executive Independent Director of the Company.

RESOLVED FURTHER THAT any director, be and are hereby authorized to sign and submit the necessary application and Forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.

6. To consider Approval of Related Party Transactions.

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

“RESOLVED THAT pursuant to recommendation of Audit committee and in accordance with provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Boards and Its Power) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for time being in force) and consent of members of the Company be and is hereby accorded to enter into Related Party transaction(s) with the following Related Party on arm's length basis for the maximum amount of INR 1 Crores (Rupees One Crores Only) during the period from 01st April, 2025 to 31st March, 2028, with respective Related Parties and maximum amount per annum, as mentioned herein below:

Sr. No.	Name of Related Parties	Nature of Relationships	Nature of transactions to be undertaken	Expected Annual Value of Transaction (Amount in Rs.)	Period of transaction
1.	Mr. Yashvardhan Maheshwari	Son of KMP	Salary	Rs. 1,00,00,000	01st April, 2025 to 31st March, 2028

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties or doubts that may arise with regard to any transactions with related parties and

execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT Mr. Atul Maheshwari, Managing Director or Mrs. Sangita Maheshwari, Whole Time Director or Mr. Ritesh Pandey, Company Secretary and Compliance Officer, be and are hereby authorized to sign and/or submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.”

7. To appoint M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors for financial year 2025-26.

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 provision of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Kirit Mehta & Co., Cost Accountants, Mumbai being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2026, be paid the remuneration as may be decided by the Board and Cost Auditor and reimbursement of out of pocket expenses, if any and that the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

RESOLVED FURTHER THAT any director of the company, be and is hereby authorized to sign and submit the necessary application and Forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.”

By Order of the Board

Date: 22.08.2025
Place: Mumbai

Regd. Office:

Survey No. 5,6 & 7A Village Poicha (Rania),
Savli Vadodara, Gujarat – 391780
Tel No. : +91-22-24117030
CIN : L15201GJ1991PLC015186
Website : www.lactoseindialimited.com
E-mail id : lil@lactoseindialimited.com

Sd/-
Ritesh Pandey
(Company Secretary)

NOTES TO NOTICE

- i. The Statement as required under Section 102 of the Companies Act, 2013 ("the Act") is annexed to the Notice.
- ii. The Ministry of Corporate Affairs ("MCA") has vide its circular dated 14th December, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" read with General Circular No. 20/ 2020 dated 05th May, 2020, the General Circular No. 17/ 2020 dated 13th April, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020, General Circular No. 02/2022 dated 13th January, 2022 and General Circular No. 2/2023 dated 05th May, 2023 (collectively referred to as "MCA Circulars") and General Circular No. 09/2023 dated 25th September, 2023 permitted the Companies to hold their Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the current AGM of the Company is being held through VC / OAVM. The deemed venue for the 34th AGM will be the registered office of the Company. The procedure for joining the AGM through VC/ OAVM is mentioned in this Notice.
- iii. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- iv. 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 to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
- v. Members shall have the option to vote electronically ("e-voting") either before the AGM ("remote e-voting") or during the AGM.

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings ("SS-2"), Regulation 44 of the SEBI Listing Regulations

and MCA Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through Bigshare Services Private Limited ("RTA"). Necessary arrangements have been made by the Company with Bigshare Services Private Limited to facilitate remote e-voting and e-voting during the AGM.

- vi. The Company has appointed M/s. Jajodia & Associates (Practicing Company Secretary), having COP no. 19900, as the scrutinizer for scrutinizing the entire e-voting process i.e. remote e-voting and e-voting during the AGM, to ensure that the process is carried out in a fair and transparent manner.
- vii. The attendance of the Members joining the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- viii. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for all businesses specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but cannot vote during the AGM.
- ix. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Member / Beneficial Owner list maintained by the depositories as on the cutoff date i.e. Tuesday, 23rd September 2025 ("cut-off date").
- x. A person who is not a member as on Tuesday, 23rd September 2025 should treat this Notice for information purposes only.
- xi. A person whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on Tuesday, 23rd September 2025 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
- xii. The Register of Members and Share Transfer Books will remain closed from Wednesday, 24th September 2025 to Tuesday, 30th September 2025 (both days inclusive).
- xiii. In the case of joint holders, only such joint holders who is higher in the order of names will be entitled to vote during the AGM.
- xiv. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents. Further, with effect from 01st April 2019, requests for transfer of securities are not permitted unless the securities are held in a dematerialized form with a depository except in case of transmission or transposition of securities as per SEBI Listing Regulations. Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.

- xv. Members holding shares in dematerialized form are requested to update with their respective Depository Participants ("DP"), their bank account details (account number, 9-digit MICR and 11 digit IFSC), e-mail IDs and mobile number. Members holding shares in physical form may communicate details to the Company / Registrar and Transfer Agent viz. Bigshare Services Private Limited ("RTA") before Tuesday, 23rd September 2025 by quoting the Folio No. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self-attested scanned copy of the PAN card.
- xvi. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act.
- xvii. Additional information of Directors seeking re-appointment at the ensuing AGM, as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of the SS-2, is annexed to the Notice
- xviii. In line with MCA Circulars and SEBI circular, the Notice calling the AGM along with the Annual Report for 2024-25 ("Annual Report") is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice of AGM and Annual Report will also be available on the website of the Company at www.lactoseindialimited.com and the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The Notice is also disseminated on the website of Bigshare Services Private Limited (agency providing the remote e-voting facility and e-voting during the AGM) at <https://bigshareonline.com/> For the purpose of receiving the Notice of the AGM and the Annual Report through electronic mode in case the email address is not registered with the respective DPs / Company / RTA, Members may register the email IDs using the facility provided by the Company through the following link <https://bigshareonline.com/InvestorRegistration.aspx#AdvdTrack#>. Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in dematerialized form and with Company/ RTA in case the shares are held by them in physical form.
- xix. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice upto 34th Annual General Meeting. Members seeking to inspect such documents are requested to write to the Company at il@lactoseindialimited.com.
- xx. In case of any queries regarding the Annual Report, the Members may write to investor@bigshareonline.com to receive an email response.

xxi. Procedure for voting through electronic means:

(A) Procedure and instructions for remote e-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as

amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 08th April, 2020, 13th April, 2020 and 05th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Bigshare Services Private Limited for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Bigshare Services Private Limited.

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

- i. The voting period begins on 27th September, 2025 at 09:00 A.M. and ends on 29th September, 2025 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2025 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is https://web.cdslindia.com/myeasitoken/home/login or visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 4. 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 with all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-vote (E-voting website) for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 22 55 33.
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 022-48867000.

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

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
 - Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
 - Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
 - ❖ Shareholders holding shares in **CDSL demat account** should enter **16 Digit Beneficiary ID** as user id.
 - ❖ Shareholders holding shares in **NSDL demat account** should enter **8 Character DP ID** followed by **8 Digit Client ID** as user id.
 - ❖ Shareholders holding shares in **physical form** should enter **Event No + Folio Number** registered with the Company as user id.
- Note** If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).
- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

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

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

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

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

- After successful login, **Bigshare E-voting system** page will appear.
 - Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
 - Select event for which you are desire to vote under the dropdown option.
 - Click on “**VOTE NOW**” option which is appearing on the right hand side top corner of the page.
 - Cast your vote by selecting an appropriate option “**IN FAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.
 - Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
 - Shareholder can “**CHANGE PASSWORD**” or “**VIEW/ UPDATE PROFILE**” under “**PROFILE**” option on investor portal.
- 3. Custodian registration process for i-Vote E-Voting Website:**
- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
 - Click on “**REGISTER**” under “**CUSTODIAN LOGIN**”, to register yourself on Bigshare i-Vote e-Voting Platform.
 - Enter all required details and submit.
 - After Successful registration, message will be displayed with “**User id and password will be sent via email on your registered email id**”.

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

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

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

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

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

Investor Mapping:

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

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

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

Investor vote File Upload:

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

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 022-62638338

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

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

The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).

- After successful login, **Bigshare E-voting system** page will appear.
- Click on “VIEW EVENT DETAILS (CURRENT)” under ‘EVENTS’ option on investor portal.
- Select event for which you are desire to attend the AGM/ EGM under the dropdown option.

- For joining virtual meeting, you need to click on “VC/ OAVM” link placed beside of “VIDEO CONFERENCE LINK” option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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

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

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions (‘FAQs’) available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22, 022-62638338

Declaration of Results:

- M/s. Jajodia & Associates, Practicing Company Secretaries (COP No: 19900), has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.lactoseindialimited.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT AND SEEKING FIXATION OF REMUNERATION AT THE FORTH COMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name of the Director	Mrs. Sangita Maheshwari
DIN	00369898
Designation	Whole Time Director
Date of Birth	06/02/1967
Age	57 years
Date of Appointment	24/02/2014
Nationality	Indian
Brief Resume	Over 31 years of her experience includes the Sales and Marketing of Product in India and International. Her Job profile also includes cash flow management and development of new Business.
Expertise in specific functional area	Sales and Marketing
Qualification	B.com
List of outside Directorship held as on 31st March, 2025 (Excluding Private Limited Companies and Foreign Companies)	NIL
Chairman/Member of the Committee of Board of Directors of the Company as on 31st March, 2025	Chairman of Sexual Harassment Committee
No. of Shares held in the Company as on 31st March, 2025	38,68,951
Relationship with other Directors and Key Managerial Personnel	Mr. Atul Maheshwari - Husband
Remuneration proposed to be paid	1. Remuneration: Upto a limit of 9,00,000 per month, as may be decided by the Board from time to time depending on Company's performance. 2. Such benefits, perquisites and allowances may be determined by the Board from time to time. Other terms & Conditions remains same.
Remuneration last drawn (including sitting fees, if any) for the financial year 2024-25	95.78 Lakh
Number of Board Meetings attended during the financial year 2024-25	11
Terms and Conditions of Appointment/Re-appointment	N.A.

Name of the Director	Mr. Kishor Patel
DIN	00740301
Designation	Non-Executive Independent Director
Date of Birth	29/01/1961
Age	65 years
Date of Appointment on current position	22/08/2025
Nationality	Indian
Qualifications	Mechanical Engineer Marketing and Material Management Certified ISO Auditor
Expertise in specific Functional Areas	Marketing & Material Management
Directorships held in other public companies <i>(excluding foreign companies and Section 8 companies)</i>	Nil
Memberships/ Chairmanships of committees of other public companies (Audit Committee and Stakeholders' Relationship Committee considered)	Nil
Chairman/Member of Committee of other Company	Nil
Shareholding of non-executive directors	Nil
Disclosure of relationships between directors inter-se	Not related to any directors
Remuneration last drawn (including sitting fees and arrears, if any) for the financial year 2024-25	Nil

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 In Conformity with the Provisions of Section 102(1) of the Companies Act, 2013 the following Explanatory Statement sets out all the material facts relating to the item of Special Business at item no. 5 and 6 of the Notice dated 30th September, 2025 and the same should be taken as forming part of the notice.

Item No. 5

Mr. Kishor Patel was appointed as an Additional Non-executive Independent Director of the Company w.e.f. 22nd August 2025 pursuant to Section 149, 150 & 152 of the Companies Act, 2013 and the Articles of Association of the Company and would hold office upto the date of the ensuing Annual General Meeting. It was also proposed to appoint him as a Non-executive Independent Director of the Company subject to fulfillment of requirements mentioned in relevant provisions of the Companies Act, 2013.

Accordingly, the Board recommends the resolution set out at item No.5 in relation to appointment of Mr. Kishor Patel as a Non-executive Independent Director of the Company, for the approval of the shareholders of the Company.

Except Mr. Kishor Patel being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are interested financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 and provisions of Regulation 23 of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 that govern the Related Party Transactions, requires that for Related Party Transactions, Company must obtain prior approval of the Shareholders by way of a Resolution, in case the threshold limits are exceeded. In the light of provisions of Section 188 of Companies Act, 2013 read with Rules made there under and Regulation 23 of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties. The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Sr. No.	Name of Related Parties	Nature of Relationships	Nature of transactions to be undertaken	Expected Annual Value of Transaction (Amount in Rs.)	Period of transaction
1.	Mr. Yashvardhan Maheshwari	Son of KMP	Salary	Rs. 1,00,00,000	01st April, 2025 to 31st March, 2028

Members are hereby informed that no members of the company shall vote on such resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Directors recommend Item No. 6 of the Notice for consent and approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mrs. Sangita Maheshwari (and their Relatives) and Mr. Atul Maheshwari (and their Relatives) is in any way, concerned or interested, financially or otherwise, in the proposed special resolution except to the extent of their respective shareholding in the Company, if any

Item No. 7

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company, on recommendation of the Audit Committee, has approved the appointment of M/s Kirit Mehta & Co., as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending on 31st March, 2026 at a remuneration as may be decided by the Board and Cost Auditor and reimbursement of out-of-pocket expenses, if any. The remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company. Accordingly, consent of Members is sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2026 in terms of section 148 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, as set out in Item No. 7.

DIRECTORS' REPORT

To,
The Members,

Your Directors proudly present to you the 34th Annual Report of the Company together with the Audited Statement of the Accounts for the Financial year ended on 31st March, 2025.

1. FINANCIAL STATEMENT:

(Rs. In Lakhs)

Particulars	2024-2025	2023-2024
Operating and other Income	11785.32	11501.47
Total Expense	11093.54	10,535.07
Profit before Tax	691.78	966.40
Provision for Current Tax	125.53	155.66
Deferred Tax	43.83	130.86
Taxation of Earlier Years	6.13	0.98
After Tax	516.29	678.90

2. DIVIDENDS:

The Board of Directors of your Company do not recommend any Dividend on equity shares for the FY 2024-2025.

3. REVIEW OF OPERATIONS:

During the year under review, the revenue of the Company has increased to Rs. 11785.32 lakhs as compared to Rs. 11,501.47 lakhs in the corresponding previous year.

The Company earned net profit of Rs. 516.29 lakhs as compared to net profit of Rs. 678.90 lakhs in the corresponding previous year.

Earnings per share is Rs. 4.10 for the current year and Rs. 5.39 for the previous year

4. TRANSFER TO RESERVE:

The Company has not transferred amount to reserves during the Financial Year 2024-25.

5. DEPOSITS:

The details of deposits as covered under Chapter V of the Act are as under:

Deposits accepted during the year	Nil
Remained unpaid or unclaimed as at the end of the year	Nil
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:	Nil
(i) At the beginning of the year	
(ii) Maximum during the year	
(iii) At the end of the year	
The details of deposits which are not in compliance with the requirements of Chapter	Nil

6. NATURE OF BUSINESS:

The company is engaged in the business of manufacturers, manufacturer representatives, producers, processors, refiners, consignors, consignees, factors, agents, exporters, importers and distributors of all classes, kinds, types and nature of:

- Foods whether finished, semi-finished, processed and unprocessed.
- Milk cream ice-cream, curd, butter milk, paneer, cheese, sweetmeats, chocolates and other dairy products.
- Pharmaceuticals, drugs bulk drugs, medicines.
- Chemicals, chemical products, chemical compounds, derivatives and intermediates.

7. DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:

The Company does not have subsidiary, Joint Venture and Associate companies.

No company has become or ceased to be the Company's subsidiaries, joint ventures or associate companies during the year under review.

8. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Board of Directors affirm that the Company has complied with the applicable Secretarial Standards ("SS") issued by the Institute of Company Secretaries of India relating to the meetings of the Board and its committees as well as the general meetings (SS-1 and SS-2) respectively, which have mandatory application during the year under review.

9. SHARE CAPITAL:

The details of Share capital of the Company are as under:

Particulars	As on 31 st March, 2025		As on 31 st March, 2024	
	Number of Shares	(Rs.in Lakhs)	Number of Shares	(Rs in Lakhs)
Authorised Capital: Equity Shares of Rs 10/- each	1,50,00,000	1500.00	1,50,00,000	1500.00
Issued, Subscribed & Paid-Up Capital: Equity Shares of Rs 10/- each	1,25,89,000	1258.90	1,25,89,000	1258.90

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

At the 34th Annual General Meeting ("AGM") of the Company and in accordance with the applicable provisions of Section 152 of the Act and the Articles of Association of the Company, Mrs. Sangita Maheshwari (DIN: 00369898) is liable to retire by rotation and being eligible, offers herself - for re-appointment as Director- of the Company.

11. DECLARATION BY AN INDEPENDENT DIRECTOR(S):

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. FORMAL ANNUAL BOARD EVALUATION:

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act and the SEBI Listing Regulations.

The Board evaluated its performance after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The evaluation was done in accordance with the framework and criteria laid down by the NRC. Further, at a separate meeting, the Independent Directors evaluated performance of Non-Independent Directors, Board as a whole and of the Chairman of the Board.

13. MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Management Discussion and Analysis of financial condition, including the results of operations of the Company for the year under review as required under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as a separate section forming part of the Annual Report.

14. BOARD MEETINGS:

During FY 2024-25, 11 (Eleven) Board Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

15. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors was held on 23rd October, 2024 during the financial year 2024-25, without the attendance of Non-Independent Directors and Members of the Management.

The Independent Directors reviewed performance of Non-Independent Directors, Chairman of the Company and the performance of the Board as a whole. The Independent Directors also discussed the quality, quantity and timeliness of flow of information between the

Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The feedback of the Meeting was shared with the Chairman of the Company.

16. NOMINATION AND REMUNERATION POLICY:

Pursuant to Provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and on the recommendation of the Nomination & Remuneration committee the Board has adopted policy for selection and appointment of Directors, Senior Management and their remuneration. The details of Remuneration Policy is stated in the Corporate Governance Report. The Nomination and Remuneration Policy is posted on the website of the Company.

The web link for the same is: <https://www.lactoseindialimited.com/policy.php>

17. STATUTORY AUDIT:

At the Annual General Meeting of the Company held on 17th June, 2022, M/s. C A S & Co., Chartered Accountants, were appointed as statutory auditors of the Company for a term of five years [i.e., till the conclusion of 36th Annual General Meeting.] Further, M/s. C A S & Co., Chartered Accountants the Statutory Auditor of the Company has resigned before the completion of their term w.e.f. 30th August, 2024, the Board of Directors in their meeting held on proposed the name of M/s. S G C O & Co. LLP to be appointed as the new Auditors of the Company, which is subject to the approval of the members in the upcoming Annual General Meeting. Further, M/s. S G C O & Co. LLP, has also resigned as the Statutory Auditor of the Company before the completion of their term w.e.f. 09th October, 2024.

Further, to fill in this casual vacancy caused by the resignation of Statutory Auditors M/s. DMKH & Co, Chartered Accountants, Mumbai, (Firm Registration No. 116886W) be and are hereby appointed as the Statutory Auditors of the Company, which is subject to the approval of the members in the upcoming Annual General Meeting. The resolution for such approval is proposed to the members of the Company in the Notice of this Annual General Meeting.

The Auditors Report for the financial year 2024-25, does not contain any qualification, reservation or adverse remark.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

18. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Jajodia & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company

for the financial year ended 31st March, 2025. The Report of the Secretarial Audit is annexed as “Annexure A” to this Board’s Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks and disclaimer.

Further, pursuant to amended Regulation 24A of SEBI Listing Regulations, and subject to your approval being sought at the ensuing Annual General Meeting scheduled on 30th September, 2025, M/s Jajodia & Associates, Practicing Company Secretary (C. P. No. 19900; Peer reviewed certificate no. 2497/2022) has been appointed as a Secretarial Auditor to undertake the Secretarial Audit of your Company for the first term of five consecutive years from FY 2025-26 till FY 2029-30. M/s. Jajodia & Associates have confirmed that it is not disqualified to be appointed as a Secretarial Auditor and is eligible to hold office as Secretarial Auditor of your Company.

The Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India.

19. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Act introduced regulations with focus on control and compliance requirements, in light of which, the Company has laid down internal financial controls across various processes prevalent in the organization. These controls have been established at the entity as well as process level and are designed to ensure compliance to internal control requirements, regulatory compliance and enable appropriate recording of financial and operational information. The Company has reviewed the effectiveness of its internal financial controls by adopting a systematic approach to assess the design and its operating effectiveness.

During the financial year, such controls were tested and no reportable material weakness in the design or operation was observed. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

20. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has a vigil mechanism to deal with instances of fraud and mismanagement, if any. The policy is placed on the website of the Company. The web link for the same is:- <https://www.lactoseindialimited.com/policy.php>

21. ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The information required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is given hereto and forms a part of this report as an “Annexure B”.

22. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Energy conservation is not only a national priority but also a key value driver for your Company. Employees are also encouraged to give suggestions that will result in energy saving.

As prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not applicable, as there is no technology absorption, adaptation and innovation made by your Company. However, it has been the endeavor of the Company to continuously upgrade & standardize its products.

23. FOREIGN CURRENCY EARNING AND OUTGO:

Sr No.	Particulars	Rs. In Lakhs
i)	CIF Value of Imports	4205.67
ii)	Expenditure in foreign currency	19.60
iii)	Foreign Exchange earned	2183.09

24. PARTICULARS OF EMPLOYEES:

Disclosures pertaining to remuneration and other details as required 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 are provided in the Annual Report and is marked as “Annexure C” to this Report.

25. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 of the Companies Act, 2013 (“Act”) read with Rule 12 of The Companies (Management and Administration) Rules, 2014 and Section 134 (3) (a), the copy of Annual Return can be accessed on the website of the Company at www.lactoseindia.com

26. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm’s length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY UNDER SECTION 186:

The details of Loan, Guarantees and Investments made by the Company under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements.

28. SAFETY, HEALTH AND ENVIRONMENT:

Your Company recognizes its role in health and safety, as well as its responsibility towards the environment and

society. In fact, your Company's goals are no accidents, no injuries to people and no damage to environment. Safety and security of personnel, assets and environmental protection are also on top of the agenda of the Company at its manufacturing facilities.

A clean environment and sustainable development integrated with the business objective is the focus of operations of the Company. The projects and activities are planned and designed with environment protection as an integral part to ensure a safe and clean environment for sustainable development.

29. DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3)(c) OF THE COMPANIES ACT, 2013:

To the best of knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act.

- That in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgments have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2025 and of the profit or loss of the company for the year ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the annual financial statements have been prepared on a going concern basis;
- That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- That systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. CORPORATE GOVERNANCE:

As per the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Company has prepared a report on Corporate Governance together with a certificate from the Company's Auditors confirming Compliance is set out in the "Annexure D" forming the part of this Annual Report.

DISCLOSURES:

AUDIT COMMITTEE

The Audit Committee comprises Independent Directors namely Mr. Dhaval Jayant Soni (Chairman), Mr. Nandan Srinath and Mr. Chandramohan Bhagavatula as other members. The Audit Committee played an important role during the year. It co-ordinates with the Statutory Auditors, Internal Auditors and other key personnel of the Company and has rendered guidance in the areas of internal audit and control, finance and accounts. All the recommendations made by the Audit Committee were accepted by the Board. During FY 2024-25, 08 (Eight) Audit Committee's Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises Independent Directors namely Mr. Dhaval Jayant Soni (Chairman), Mr. Nandan Srinath and Mr. Chandramohan Bhagavatula as other members. During FY 2024-25, 4 (Four) Stakeholders Relationship Committee's Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report. With the compulsory dematerialization of the Company's shares and electronic mode of transfers, postal dispatches which led to usual complaints, have been minimized.

NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises Independent Directors namely Mr. Dhaval Jayant Soni (Chairman), Mr. Nandan Srinath and Mr. Chandramohan Bhagavatula as other members. During FY 2024-25, 01 (One) Nomination & Remuneration Committee's Meetings were conveyed and held by the Company. The details of which are given in the Corporate Governance Report. The Nomination and Remuneration Committee recommends to the Board the suitability of candidates for appointment as Key Managerial Personnel, Directors and the remuneration packages payable to them and other employees.

31. CORPORATE SOCIAL RESPONSIBILITY ("CSR"):

During FY 2024-25, Corporate Social Responsibility is applicable to the company.

32. PREVENTION OF SEXUAL HARASSMENT POLICY:

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2024-25:

- a) No. of complaints received: Nil
- b) No. of complaints disposed of: N.A.

33. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Industrial Relations continued to be harmonious throughout the year under review. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programs which have helped the Organization achieve higher productivity levels.

34. MATERIAL CHANGES:

During the year, there are no other material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company i.e. 31st March, 2025 to which these financial statements relate and date of this report.

35. RISK MANAGEMENT POLICY:

As per the Act, and as part of good corporate governance the Company has constituted the Risk Management Committee. The Committee has laid down the procedures to inform the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan and policy for the Company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. It was specifically confirmed to the Committee by the MD and the CFO that the mitigation plans are finalised and up to date, owners are identified and the progress of mitigation actions are monitored.

36. CODE OF CONDUCT:

Your Company has established a Code of Conduct and Code of Fair Disclosures for Prohibition of Insider Trading

("Code of Conduct" or "Code") which is applicable to the Employees, Directors, designated persons, immediate relatives of designated persons and connected persons of the Company. The Code lays down the standard of conduct, which is expected to be followed by the Directors and employees in their business dealings, and in particular, on matters relating to integrity in the workplace, dealing with stakeholders and in business practices. All the Board Members and the Senior Management employees have confirmed compliance with the Code.

The Code is available on website of the Company at www.lactoseindialimited.com

37. SIGNIFICANT OR MATERIAL ORDERS AGAINST COMPANY:

No significant material orders were passed by the regulators or courts or tribunals impacting the going concern status and your Company's operation in future.

38. APPRECIATION:

Your directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-operation extended to the Company by all valued customers and bankers of the Company.

Your directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts by the employees at all levels which contributed, in no small measure, to the progress and the high performance of the Company during the year under review.

**For and on behalf of the Board
For Lactose (India) Limited**

Sd/-
(Atul Maheshwari)
Managing Director
DIN: 00255202

Sd/-
(Sangita Maheshwari)
Whole-time Director & CFO
DIN: 00369898

Date: 22.08.2025
Place: Mumbai

Regd. Office:

Survey No. 5,6 &7A Village Poicha (Rania),
Savli Vadodara, Gujarat – 391780
Tel No. : +91-22-24117030
CIN : L15201GJ1991PLC015186
Website : www.lactoseindialimited.com
E-mail id : lil@lactoseindialimited.com

ANNEXURE “A” TO THE DIRECTOR’S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2025

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

To,
The Members,
Lactose (India) Limited
Survey No. 5,6, 7A Savli, Village Poicha (Rania),
District Vadodara GJ – 391780

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lactose (India) Limited** (CIN: L15201GJ1991PLC015186) (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs and The Securities and Exchange Board of India, as applicable, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025, according to the applicable 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') as amended from time to time: - **as applicable;**

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - 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;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Issue and Listing of Non – convertible Securities) Regulations, 2021;
 - 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;
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as mentioned below:
- Factories Act, 1948
 - Industrial Disputes Act, 1947
 - Payment of Wages Act, 1936 & Payment of Bonus Act, 1965
 - The Contract Labour (Regulation and Abolition) Act, 1970
 - Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Environment Protection Act, 1986
 - Pollution Control Laws

- Explosives Act, 1884 and Explosives Rules, 2008
- Drugs and Cosmetic Acts, 1940 and Rules thereunder
- Drug (Price Control) Order, 2013
- The Minimum Wages Act, 1948
- The Employees Compensation Act, 1923
- Food Safety and Standards Act, 2006

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ("Listing Regulations").

We report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

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

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

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

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

We further report that during the audit period the Company has not reported any material event.

We further report that during the audit period there were, events of Issue convertible share warrants on preferential basis and the Scheme of Amalgamation between Lactose (India) Limited and Vitanosh Ingredients Private Limited.

Apart from the events mentioned above, there were no other instance of:

- (i) Public/Right issue of shares / debentures / sweat equity etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Further, our report of even dated to be read along with the following clarifications:

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

FOR JAJODIA AND ASSOCIATES
Company Secretary in Practice

Sd/-

Priti Nikhil Jajodia

M.No : 36944

CP No : 19900

Peer review: 2497/2022

UDIN: A306944G001025646

Place: Mumbai

Date: 18th August 2025

‘Annexure - I’

To,
The Members,
Lactose (India) Limited
Survey No. 5,6,7A Savli, Village Poicha (Rania),
District Vadodara – 391780

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 provided 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, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report 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 JAJODIA AND ASSOCIATES
Company Secretary in Practice

Sd/-
Priti Nikhil Jajodia
M.No : 36944
CP No : 19900
Peer review: 2497/2022
UDIN: A306944G001025646

Place: Mumbai
Date: 18th August 2025

ANNEXURE “B” TO THE DIRECTOR’S REPORT

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power & Fuel Consumption:

		Current year 31.03.2025	Previous year 31.03.2024
1)	Electricity		
	Purchase Unit (KWH)	65,39,128	68,11,467
	Total Amount (Amount in Lacs)	565.46	619.60
	Rate per Unit (Amount in Rupees)	8.65	9.10
2)	Agro Waste Briquettes		
	Quantity (MTS)	-	-
	Total Amount (Amount in Lacs)	-	-
	Average Rate/ Ton (Amount in Rupees)	-	-
3)	Bio Coal		
	Quantity (MTS)	5,362.90	4,016.16
	Total Amount (Amount In Lacs)	414.22	335.64
	Average Rate/ Ton (Amount in Rupees)	7,723.89	8,357.14

ANNEXURE “C” TO THE DIRECTOR’S REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE, 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND ANNEXED TO AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2025:

(I) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-		
Sr. no.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. Atul Maheshwari, Chairman & Managing Director	30.87:1
2	Mrs. Sangita Maheshwari, Whole Time Director & Chief Financial Officer	30.87:1
(ii) The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year :-		
Sr. no.	Name of the Director/CFO/Company Secretary	% Increase over last F.Y.
1	Mr. Atul Maheshwari, Chairman & Managing Director	Nil
2	Mrs. Sangita Maheshwari, Whole Time Director & Chief Financial	Nil
3	Ms. Ritesh Pandey, Company Secretary & Compliance Officer	18.51%
(iii)	The percentage increase/ decrease in the median remuneration of employees in the financial year	39.32%
(iv)	The number of permanent employees on the rolls of the Company as on 31ST March, 2025.	140
(v)	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:	The average annual increase was around 19.10%, after accounting for promotions and other event-based compensation revisions. Increase in the managerial remuneration for the year was Nil.
(vi)	The key parameters for any variable component of remuneration availed by the directors	NIL
(vii)	Affirmation that the remuneration is as per the remuneration policy of the Company:	Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of your Company.
(II) Statement showing details of Employees of the Company as per Section 197 (12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:		
In pursuant to the provisions of Section 197(12) of the Companies Act,2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of top ten employees in terms of remuneration drawn is provided in a separate annexure forming part of this Report. Pursuant to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013 the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary of the Company and the same will be furnished without any fee.		

ANNEXURE “D” TO THE DIRECTORS’ REPORT

REPORT ON CORPORATE GOVERNANCE

A. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a Company meets its obligations with the objective to optimize Member value and fulfill its responsibilities to the community, customers, employees, government and other societal segments. Lactose (India) Limited’s philosophy is to conduct business with highest ethical standards for growth and prosperity of all the stakeholders. This philosophy is built on a rich legacy of fair, transparent and effective governance, and led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The Company believes that a sound governance discipline also enables the Board to direct and control the affairs of the Company in an effective manner and maximize stakeholder value, including society at large. This is an ongoing process, and we continuously endeavor to improve our practices in line with the changing demands of business. Lactose (India) Limited adopts innovative approaches for leveraging all its resources and encourages a spirit of conversion of opportunities into achievements. Lactose (India) Limited’s Code of Conduct enabled it to reflect the diverse business, cultural and other factors that have a bearing on the health of brand ‘Lactose (India) Limited’.

Keeping in view the Company’s size, reach, complexity of business and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Strategic supervision by the Board of Directors which is made up of appropriate size, bouquet of experience and commitment to discharge their responsibilities;
- Timely and adequate flow of information to the Board and its Committees for meaningful and focused discussion at the meetings to enable them to discharge their fiduciary duties;
- Independent verification of Company’s financial reporting from time to time and on quarterly basis;
- A sound system of internal controls within the risk management framework to mitigate perceived risk factors;
- Timely and balanced disclosure of all material information; and disclosure of all deviations, if any, to all stakeholders;
- Compliance with applicable laws, rules, regulations and guidelines; and
- Transparency and defined accountability.

The Board of Directors play an active role in fulfilling its fiduciary obligation to Members by efficiently overseeing management functions to ensure their effectiveness in delivering Member value. The governance framework is made effective through an efficient system of timely disclosures and transparent business practices.

B. BOARD OF DIRECTORS

The Board of Directors (“the Board”) of your Company is responsible for and is committed to sound principles of the corporate governance in the Company. The Board plays a crucial role in overseeing how the management serves the interest of the Shareholders and other Stakeholders. This belief is reflected in our governance practice, under which we strive to maintain an effective, informed and independent Board to ensure best practice.

COMPOSITION

The Company strives to attain a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals, who play a crucial role in Board processes and provide independent judgment on issues of strategy and performance. The Company’s Board of Directors currently comprises of five members, three of whom are Non-executive Directors and two Executive Directors i.e. one Whole-time Director and one Managing Director. The Non-executive Directors are eminent professionals with vast experience of industry, finance and law. The Board is headed by Executive Chairman. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring best interest of stakeholders and the Company.

None of the Directors on the Company’s Board are members of more than 10 (ten) committees and chairperson of more than 5 (five) committees (being Audit Committee and Stakeholders’ Relationship Committee) across all the companies in which he / she is a Director. All the Directors have made necessary disclosures regarding committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31st March, 2025. The composition of the Board was in conformity with Regulation 17 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘Listing Regulations, 2015’) as on 31st March, 2025.

The Composition and Category of the Board of Directors during the FY 2024-25 was as follows:

Name of the Directors	Category
Mr. Atul Maheshwari	Managing Director
Mrs. Sangita Maheshwari	Whole-time Director & CFO
*Mr. Gopal K. Sarda	Non – Executive Independent Director
*Mr. Pramod Kalani	Non – Executive Independent Director
Mr. Dhaval Jayant Soni	Non – Executive Independent Director
**Mr. Nandan Srinath	Non – Executive Independent Director
**Mr. Chandramohan Bhagavatula	Non – Executive Independent Director

** Mr. Nandan Srinath and Mr. Chandramohan Bhagavatula have been appointed as Non – Executive Independent Director of the Company w.e.f. 08th August, 2024.

* Mr. Gopal K. Sarda and Mr. Pramod Kalani have resigned from the post of Non – Executive Independent Director of the Company w.e.f. 12th August, 2024.

BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee in consultation with the Board determines the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. The Board members are expected to possess the required qualification, integrity, expertise and experience for the position. They also possess deep expertise and insights in sectors / areas relevant to the Company and ability to contribute to Company's growth.

List of Core Skills / Expertise / Competencies of the Directors of the Company:

1. Strategy planning and execution;
2. Management and leadership;
3. Functional and managerial experience;
4. Legal and risk management;
5. Corporate governance systems and practices; and
6. Finance, banking and accounts.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Regulation 16(b) of the Listing Regulations, 2015 and Section 149(6) of the Companies Act, 2013 (the Act). Due to promulgation of Section 149 of the Act and Regulation 25 of the Listing Regulations, 2015, Independent Directors can be appointed for 2 fixed terms of maximum five consecutive years each and they shall not be liable to retire by rotation. Therefore, the Company has appointed / re-appointed all the existing Independent Directors for a term of five consecutive years in compliance with the aforesaid provisions. The Company has issued formal letters of appointment to all the Independent Directors as prescribed under the provisions of the Act and the terms and conditions of their appointment have been uploaded on the website of the Company.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Section 149(6) of the Act and Listing Regulations, 2015 and that they are qualified to act as Independent Directors.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations, 2015 and are independent of the management.

As required under the Act, the Independent Directors held a separate meeting to assess the functioning of the Board and to evaluate the performance of the Directors, Chairman and Executive Director.

FAMILIARIZATION OF BOARD MEMBERS

As an onboarding process, all new Directors inducted on the Board are taken through a familiarization process whereby information of the Company is explained to the Director.

The provision of an appropriate induction programme for the Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. All newly inducted Directors on the Board are introduced to the Company's culture through appropriate orientation, presentations made by senior management to provide an overview of the Company's business. They are also introduced to the organization structure, board procedures, matters reserved for the Board, major risks and risk management strategy. The Independent Directors, from time to time, request the management to provide a detailed understanding of the activity or process of the Company. The management provides such information to the Board from time to time.

The induction process is designed to:

- a. build an understanding of Lactose (India) Limited, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. develop understanding of the Company's people and its key stakeholder relationships.

The policy is available on the website of the Company and is available at the web link: <https://www.lactoseindialimited.com/>

A chart or a matrix setting out the skills / expertise / competence of the Board of Directors along

with disclosure of relationships between directors inter-se:

Name of Directors	Designation	Disclosure of Relationship	List of core skills/ expertise/ competence
Mr. Atul Maheshwari	Managing Director	Mrs. Sangita Maheshwari-Wife;	International Marketing/ Pharmaceuticals Company

Mrs. Sangita Maheshwari	Whole time Director and Chief Financial Officer	Mr. Atul Maheshwari-Husband	Finance, Sales and Marketing
Mr. Nandan Srinath	Non-Executive Independent Director	NA	M&E Industry from media Owner and creative agency platform.
Mr. Chandramohan Bhagavatula	Non-Executive Independent Director	NA	Audit, Compliance, Risk Management, Finance and Accounts and Taxation and Management Accounting.
Mr. Dhaval Soni	Non-Executive Independent Director	NA	Finance, Sales and Marketing

BOARD MEETINGS AND PROCEDURE

The Board meets at least once in every quarter, *inter alia*, to review the quarterly results and other items on the agenda and minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by way of circulation.

During the year under review 11 (Eleven) Board meetings were held on 23rd April 2024, 30th May 2024, 08th August 2024, 12th August 2024, 30th August 2024, 15th October 2024, 21st October 2024, 23rd October 2024, 11th November 2024, 05th December 2024 and 12th February 2025. The meetings were held as per the requirements of business and at intervals within the legally permitted limits. The necessary quorum was present in all the Board meetings. Leave of Absence was granted to the concerned Directors

who could not attend the respective Board meeting. The details of attendance of Directors at the Board meetings and at the last Annual General Meeting are as under:

Name of Director	No. of Board meetings		Attendance at last AGM	Directorship in other Indian Public Limited Companies	No. of Committees position held in other companies		Directorship in other listed Companies and Category of Directorship	No. of shares held by Non-Executive Director
	Held	Attended			Chairman	Member		
Mr. Atul Maheshwari (Managing Director)	11	11	Yes	1	1	1	Photoquip India Ltd. Non-Executive - Independent Director	NA
Mrs. Sangita Maheshwari (Whole time Director and Chief Financial Officer)	11	11	Yes	-	-	-	-	NA
Mr. Pramod Kalani (Non-Executive Independent Director)	3	3	No	-	-	-	-	
Mr. Gopal. K. Sarda (Non-Executive Independent Director)	3	3	No	-	-	-	-	
Mr. Dhaval Jayant Soni	11	11	Yes	1	1	1	Photoquip India Ltd. Executive Director	
Mr. Chandramohan Bhagavatula	8	7	Yes	-	-	-	-	
Mr. Nandan Srinath	8	5	Yes	-	-	-	-	

BOARD SUPPORT

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the agenda and convening of the Board and Committee meetings. The Company Secretary advises / assures the Board on compliance and governance principles and ensures appropriate recording and circulation of Minutes of the meetings amongst the Directors.

INFORMATION TO THE BOARD

The internal guidelines for Board / Board Committee meetings facilitate the decision-making process at the meetings of the Board / Committees in an informed and efficient manner. Board meetings are governed by a structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with senior management prepares the detailed agenda for the meetings.

Agenda papers and notes on agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is circulated along with agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents to the agenda, the same are tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

A detailed agenda folder is sent to each Director in advance of the Board meetings, covering *inter alia*, the required information as enumerated in Part A of Schedule II to Regulation 17(7) of the Listing Regulations, 2015. As a policy, all major decisions involving allocation and deployment of funds, investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are placed before the Board for its consideration and directions.

The following information, *inter alia*, as may be applicable and required, is provided to the Board as part of the agenda papers.

- 1) Quarterly, half yearly and annual results of the Company;
- 2) Minutes of the Audit and other committees of the Board;
- 3) Information relating to recruitment and remuneration of senior level officers just below the Board;
- 4) Materially important legal or taxation matters;

- 5) Status of financial obligations to and by the Company;
- 6) Any significant development in human resources or industrial relations;
- 7) Details of risk exposure and steps taken by management to limit or restrain the risk; and
- 8) Compliance status with any regulatory, statutory or Listing Regulations, 2015 related requirements or in relation to any Member services.

The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any.

Separate Independent Directors' Meeting

As required under the Act and Listing Regulations, 2015, the Independent Directors met on 28th March 2025 without the presence of Executive Directors or management representatives. The Independent Directors at their meeting held on 28th March 2025, *inter alia*, discussed:-

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to this meeting, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

Board Evaluation / Performance

In terms of the requirements of the Act and Listing Regulations, 2015, the Board has evaluated its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was circulated, 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.

Performance evaluation criteria of Independent Directors

Independent Directors are evaluated based on parameters such as qualification, experience, knowledge and competency, initiative, commitment, independence, independent views and judgement, attendance and participation in the discussion at the Meetings, adherence to the Code for Independent Directors of the Company, understanding the environment in which the company

operates and contribution to strategic decision and raising valid concerns at the Board, interpersonal relations with other directors and management, objective evaluation of Board's performance, safeguarding of confidential information and maintaining integrity.

Code of Conduct for Board Members and Senior Management

The Board has laid down the code of conduct for all the Board members and members of the Management of the Company. Additionally, all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder. All the Board members and Management personnel have affirmed compliance with the code of conduct. The Code of Conduct is available on the website of the company.

Subsidiary Companies

The Company does not have any Subsidiary Company.

C. DETAILS OF REMUNERATION PAID TO DIRECTORS

The Managing Director receives salary, allowances and perquisites, while all the Non-executive Directors receive sitting fees and allowances (as applicable) and annual commission within the prescribed limits as set out in the Act.

The Executive Director (Director-in-Charge) of the Company is entitled for payment of remuneration by way of commission as determined by the Board of Directors / Nomination and Remuneration Committee of the Company from time to time.

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-executive Directors during the year.

a) Remuneration paid / payable to Non-Executive Directors of the Company

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him not exceeding the sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The criteria for making payment to Non-Executive Directors is available on company's website, web-link of which is: <https://www.lactoseindialimited.com/policy.php>.

b) Remuneration paid / payable to the Managing Director and Executive Director of the Company for the year ended 31st March, 2025, is as under:

(Amount in Rs. Lakhs)

Sr. No.	Particulars	Salary etc.	Commis-sion	Per-qui-sites	Retire-ment Benefits	Total
1.	Mr. Atul Maheshwari (Managing Director)	95.78	-	-	-	95.78
2.	Mrs. Sangita Maheshwari (Whole Time Director)	95.78	-	-	-	95.78

D. Committees of the Board

Pursuant to Listing Regulations, 2015 and provisions of the Act, the Board of Directors have constituted various Committees of Directors with adequate delegation of powers to properly discharge businesses of the Company.

These Committees are:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee;
- Risk Management Committee;
- Prevention of Sexual Harassment Committee

The details of these Committees are as follows:

(I) Audit Committee

COMPOSITION

The Audit Committee comprises of three Independent Directors and is headed by Mr. Dhaval Soni. The other members of the Committee are Mr. Chandramohan Bhagavatula and Mr. Nandan Srinath. The constitution of the Audit Committee meets the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations, 2015.

TERMS OF REFERENCE

The terms of reference of the Audit Committee are in conformity with Section 177 of the Act and Regulation 18 of the Listing Regulations, 2015. The brief terms of reference *inter alia* are as follows:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal.

- Approve payment to statutory auditors for any other services rendered by them.
- Review, with the management, the quarterly and annual financial statements and auditors report thereon before submission to the Board for approval.
- Approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Review and monitor the auditor's independence, performance and effectiveness of audit process.
- Review the adequacy of internal audit function, including the structure of the internal audit department, if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit, etc.

MEETINGS AND ATTENDANCE

During the year under review 8 (Eight) meetings of the Committee were held on 30th May 2024, 08th August 2024, 12th August 2024, 30th August 2024, 15th October 2024, 21st October 2024, 23rd October 2024 and 12th February 2025. The attendance of the members at the meeting was as follows:

Name of the member	Status	Category	Number of meetings Attended
*Mr. Gopal. K. Sarda	Chairman	Non-Executive & Independent Director	2
*Mr. Pramod Kalani	Member	Non-Executive & Independent Director	2
Mr. Dhaval Soni	Member	Non-Executive & Independent Director	8
**Mr. Nandan Srinath	Member	Non-Executive & Independent Director	3
**Mr. Chandramohan Bhagavatula	Member	Non-Executive & Independent Director	6

** Mr. Nandan Srinath and Mr. Chandramohan Bhagavatula have been appointed as Non – Executive Independent Director of the Company w.e.f. 08th August, 2024.

* Mr. Gopal K. Sarda and Mr. Pramod Kalani have resigned from the post of Non – Executive Independent Director of the Company w.e.f. 12th August, 2024.

The Committee reviews various aspects of the internal control system. The requirements in respect of Regulation 18 of the Listing Regulations, 2015 are also reviewed by the Committee.

II STAKEHOLDERS' RELATIONSHIP COMMITTEE

COMPOSITION

The Stakeholders' Relationship Committee constituted as a mandatory committee of the Board, presently comprises of three Non-executive Directors of the Company and is headed by Mr. Dhaval Soni. The other members of the Committee are Mr. Chandramohan Bhagavatula and Mr. Nandan Srinath. Mr. Ritesh Pandey, Company Secretary, has been designated as the Compliance Officer of the Company. The constitution of the Stakeholders' Relationship Committee meets the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations, 2015.

TERMS OF REFERENCE

The Committee inter alia oversees the redressal of Member and investor complaints / requests for transmission of shares, sub-division and consolidation of share certificates, issue of duplicate share certificates, requests for dematerialization and re-materialization of shares, non-receipt of declared dividend and non-receipt of Annual Report. It also recommends measures for improvement in investor services. The Committee also keeps a close watch on the performance of M/s. Big Share Services Private Limited, the Registrar & Share Transfer Agents (RTA) of the Company. The Committee also reviews various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the Members of the Company. The Committee meets as often as is necessary for resolution of important matters within its mandate.

MEETINGS AND ATTENDANCE

During the year under review, 4 (Four) meetings of the Committee were held on 30th May 2024, 08th August 2024, 15th October 2024 and 12th February 2025. The attendance of the members at the meeting was as follows:

Name of the member	Status	Category	Number of meetings attended
*Mr. Gopal. K. Sarda	Chairman	Non-Executive & Independent Director	2
*Mr. Pramod Kalani	Member	Non-Executive & Independent Director	2
Mr. Dhaval Soni	Member	Non-Executive & Independent Director	4
**Mr. Nandan Srinath	Member	Non-Executive & Independent Director	1

**Mr. Chandramohan Bhagavatula	Member	Non-Executive & Independent Director	2
--------------------------------	--------	--------------------------------------	---

** Mr. Nandan Srinath and Mr. Chandramohan Bhagavatula have been appointed as Non – Executive Independent Director of the Company w.e.f. 08th August, 2024.

* Mr. Gopal K. Sarda and Mr. Pramod Kalani have resigned from the post of Non – Executive Independent Director of the Company w.e.f. 12th August, 2024.

INVESTOR COMPLAINTS RECEIVED AND RESOLVED DURING THE YEAR

During the year under review the Company has received 0 (zero) Investor Complaint during the review period each from Members and the same was resolved in due time. The average period of redressal of grievances is 7 days from the date of receipt of letters / complaints. There were no unresolved complaints as on 31st March, 2025.

III. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board comprises of three Independent Directors, viz. Mr. Nandan Srinath and Mr. Chandramohan Bhagavatula and Mr. Dhaval Soni. The Committee is headed by Mr. Dhaval Soni. The constitution of the Committee meets the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations, 2015.

TERMS OF REFERENCE

The terms of reference of the Nomination and Remuneration Committee are in conformity with Section 178 of the Act and Regulation 19 of the Listing Regulations, 2015. The terms of reference are as follows:

- Determine the compensation package of the Executive Directors, Secretary and other senior management personnel.
- Formulate 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.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devise a policy on diversity of Board of Directors.
- Identify persons who are qualified to become

Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.

- Decide on whether to extend or continue the term of appointment of the Independent Directors, on the basis of the performance evaluation report of Independent Directors.

MEETINGS AND ATTENDANCE

During the year under review, one meeting of the Committee was held on 08th August 2024. The attendance of the members at the meeting was as follows:

Name of the member	Status	Category	Number of meetings attended
*Mr. Gopal K. Sarda	Chairman	Non-Executive & Independent Director	1
*Mr. Pramod Kalani	Member	Non-Executive & Independent Director	1
Mr. Dhaval Soni	Member	Non-Executive & Independent Director	1
**Mr. Nandan Srinath	Member	Non-Executive & Independent Director	-
**Mr. Chandramohan Bhagavatula	Member	Non-Executive & Independent Director	-

** Mr. Nandan Srinath and Mr. Chandramohan Bhagavatula have been appointed as Non – Executive Independent Director of the Company w.e.f. 08th August, 2024.

* Mr. Gopal K. Sarda and Mr. Pramod Kalani have resigned from the post of Non – Executive Independent Director of the Company w.e.f. 12th August, 2024.

IV. RISK MANAGEMENT COMMITTEE

COMPOSITION

The Risk Management Committee consists of two Members and the Chairman is an Executive Director. The members of the Committee are Mr. Atul Maheshwari and Mr. Dhaval Soni.

TERMS OF REFERENCE

The Committee is empowered to review and assess the quality, integrity and effectiveness of the risk management system and ensure that the risk and strategies to mitigate risks are effectively managed.

MEETINGS AND ATTENDANCE

During the year under review, one meeting of the Committee was held on 28th March, 2025. The attendance of the members at the meeting was as follows:

Name of the member	Status	Category	Number of meetings Attended
Mr. Atul Maheshwari	Chairman	Executive Director	1
Mr. Dhaval Soni	Member	Non-Executive & Independent Director	1

V. PREVENTION OF SEXUAL HARASSMENT COMMITTEE

The Company has constituted Prevention of Sexual Harassment Committee as required under Section 4 of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review no complaint was filed before the said Committee.

Composition, Meetings and Attendance

Prevention of Sexual Harassment Committee consists of three Members and the Chairman is an Executive Director. During the Financial Year 2024-25, no meeting was held.

Name of the Members	Category
Mrs. Sangita Maheshwari	Chairperson
Mr. Atul Maheshwari	Member
Mr. Dhaval Soni	Member

E. COMPANY POLICIES

I. WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy. All

cases registered under the Whistle Blower policy of the Company are subject to review by the Audit Committee.

The Whistle Blower policy is available on the website of the Company at the web link: <https://www.lactoseindialimited.com/pdf/annualreports/Vigil%20Mechanism%20Whistle%20Blower%20Policy.pdf>

II. POLICY ON RELATED PARTY TRANSACTIONS

In line with requirement of the Act and the Listing Regulations, 2015, your Company has formulated a policy on related party transactions which is also available on the Company's website at the web link: <https://www.lactoseindialimited.com/pdf/annual-reports/Related-Party-Transaction-Policy.pdf>

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

This policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflict of interest that may arise because of entering into these transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for transactions with related parties which are of a repetitive nature and / or entered in the ordinary course of business and on an arm's length basis.

III. MATERIAL SUBSIDIARY POLICY

In line with requirement of Regulation 46(2)(h) of the Listing Regulations, 2015, your Company has formulated a policy on material subsidiaries which is also available on the Company's website at the web link: <https://www.lactoseindialimited.com/pdf/annual-reports/Policy-on-material-Subsidiary.pdf>

The objective of this policy is to determine material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

F. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is given in a separate section in this Annual Report and forms a part of the Directors' Report.

G. MEMBER INFORMATION

(i) Means of communication

Annual Reports, notice of the meetings and other communications to the Members are sent through e-mail, post or courier.

In accordance with Regulation 46 of the SEBI (LODR) Regulations, 2015, the Company has

maintained a functional website i.e. <https://www.lactoseindialimited.com> containing information about the Company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance norms, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

The quarterly and annual audited financial results of the Company are sent to the BSE immediately after they are approved by the Board. The results are normally published in Business Standard in English and Vadodara Samachar in Gujarati in terms of Regulation 47 of the Listing Regulations, 2015. The results are also hosted on the website of the

Company: <https://www.lactoseindialimited.com>.

Further, the Company disseminates to the BSE Limited wherein the equity shares of the Company are listed, all mandatory information and price sensitive / such other information which in its opinion are material and / or have a bearing on its performance / operations. For the benefit of the Members, a separate email id has been created for Member correspondence viz. lii@lactoseindialimited.com

(ii) GENERAL MEETINGS

Annual General Meetings of the Company

Details of the last three Annual General Meetings of the Company are as under:

AGM	Financial Year	Date	Time	Venue	Special business/s if any, passed
33 rd	2023-24	30 th September 2024	12.00 Noon	Through Video Conference / Other Audio-Visual Means (Deemed Venue: Survey No. 6, Village Poicha (Rania) Savli, Vadodara, Gujarat – 391780)	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Atul Maheshwari (DIN:00255202) as Managing Director. 2. Regularization of Mr. Chandramohan Bhagavatula as Non-executive Independent Director. 3. Regularization of Mr. Nandan Srinath as Non-executive Independent Director. 4. To consider Approval of Related Party Transactions. 5. To appoint M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors for financial year 2024-25.
32 nd	2022-23	07 th September 2023	12.00 Noon	Through Video Conference / Other Audio-Visual Means (Deemed Venue: Survey No. 6, Village Poicha (Rania) Savli, Vadodara, Gujarat – 391780)	<ol style="list-style-type: none"> 1. Re-Appointment of Mrs. Sangita Maheshwari (DIN 00369898) as a Whole-time director for 5 years. 2. Appointment of M/s. Kirit Mehta & Co., Cost Accountants, Mumbai as Cost Auditors for financial year 2023-24. 3. Consider Approval of related party transactions.
31 st	2021-22	17 th June, 2022	12.00 Noon	Through Video Conference / Other Audio-Visual Means (Deemed Venue: Survey No. 6, Village Poicha (Rania) Savli, Vadodara, Gujarat – 391780)	<ol style="list-style-type: none"> 1. Appointment of Mr. Dhaval Jayant Soni (DIN 00751362) as a Non - Executive Independent Director

The 34th Annual General Meeting of the Company is proposed to be held on Tuesday, 30th September, 2025 at 12.00 Noon at the Registered Office of the Company.

(iii) General Members' information

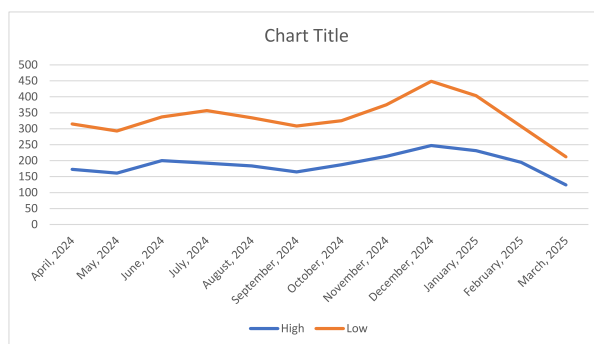
3.1. Annual General Meeting:		
Day, Date and Time	:	Tuesday, 30 th September, 2025 at 12:00 Noon
Venue	:	Through Video Conferencing or OAVM (Deemed Venue is Survey No. 5, 6 & 7A, Village Poicha (Rania) Taluka Savli, District Vadodara, Gujarat – 391780.
3.2. Financial Year 2025-26 – Board Meeting Calendar (Tentative):		
Results for first quarter ended 30 th June, 2025	:	On or before 14 th August, 2025
Results for second quarter ending 30 th September, 2025	:	On or before 14 th November, 2025
Results for third quarter ending 31 st December, 2025	:	On or before 14 th February, 2026
Results for financial year ending 31 st March, 2026	:	On or before 30 th May, 2026
3.3. Book Closure date:	:	From Wednesday, 24 th September 2025 to Tuesday, 30 th September, 2025
3.4. Dividend Payment Date	:	Not Applicable
3.5. Listing on Stock Exchange:	:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai, 400001 (Listing Fees have been paid to the Exchange)
3.6. Stock Code:	:	524202
3.7. Demat ISIN Number in NSDL and CDSL:	:	INE058I01013
3.8. Registrar and Share Transfer Agents:	:	Bigshare Services Private Limited
3.9. Share Transfer System:	:	Share Transfers and Share Certificates are processed and returned within 30 days from the date of receipt subject to the documents being valid and complete in all respects. A summary of transfers/transmission of securities of the Company from the Registrar and Transfer Agent is placed before every Stakeholders Relationship Committee Meeting.
3.10. Plant Location:	:	Survey No. 5, 6 & 7A, Village Poicha (Rania) Taluka Savli, District Vadodara, Gujarat – 391780.
3.11. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments:	:	The Company has not issued any ADR or GDR or warrants or any convertible instruments, which was likely to impact on equity share capital.

(iv) Stock Data / Market price data

High / low market price of the Company's equity shares traded on stock exchanges where the shares of the Company are listed during the last financial year are as follows:

Month	BSE Limited	
	High	Low
April, 2024	173.00	142.00
May, 2024	161.00	132.00
June, 2024	200.00	137.00
July, 2024	192.00	165.00
August, 2024	183.25	151.05
September, 2024	164.95	143.60
October, 2024	187.05	138.00
November, 2024	213.50	161.30
December, 2024	247.40	201.20

January, 2025	231.00	172.60
February, 2025	194.80	112.85
March, 2025	123.95	88.05



(v) Shareholding Pattern

Details of shareholding by ownership as on 31st March, 2025 was as under:

Sr. No.	Particulars	As on 31 st March, 2025	
		No. of Shares	% of Total Shares
1.	Promoters	67,53,426	53.65
2.	Financial Institutions / Banks / Mutual Funds / UTI / Insurance Cos. / NBFCs	77,920	0.62
3.	Central Government / State Government(s) / IEPF	-	-
4.	Indian Public:		
a.	Bodies Corporate	7,74,899	6.16
b.	Individuals / HUF / Trusts	49,30,233	39.16
c.	Stock Exchange Clearing Members	1,010	0.00
5.	FIIIs, FPIs	-	-
6.	NRI / Foreign Nationals	51,512	0.41
	TOTAL	1,25,89,000	100.00

(vi) Distribution of shareholding

The distribution of shareholding as on 31st March, 2025 was as follows:

Sr. No.	No. of Equity Shares	No. of Shares held	% of Total Shares
1	1 to 5000	2,47,33,460	19.65
2	5001 to 10000	41,46,790	3.29
3	10001 to 20000	37,49,430	2.98
4	20001 to 30000	21,39,440	1.70
5	30001 to 40000	14,43,850	1.15
6	40001 to 50000	11,47,140	0.91
7	50001 to 100000	35,66,230	2.83
8	100001 to 99999999999	8,49,63,660	67.49
	Total	12,58,90,000	100.00

(vii) Physical/NSDL/CDSL/Summary Report as on 31st March, 2025

Particulars	Number of Shares	% of Total Issued Capital
Held in Dematerialized form in CDSL	1839108	14.61
Held in Dematerialized form in NSDL	8513592	67.63
Physical	2236300	17.76

H. Address for Correspondence

(i) Investors Correspondence:	:	For Shares held in Physical Form
		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.
		For Shares held in Demat Form
		To the respective Depository Participants.
(ii) Any query on Annual Report:		Mr. Ritesh Pandey (Company Secretary and Compliance Officer) Lactose (India) Limited Survey No. 5, 6 & 7A Village Poicha (Rania), Taluka Savli, District Vadodara, Gujarat - 391780.
(iii) E-mail ID for Investor Grievance		lii@lactoseindialimited.com
(iv) Corporate Web-site:		www.lactoseindialimited.com

I. DISCLOSURES

- a) The transactions entered into with Related Parties as defined under the Companies Act, 2013, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

The Company has a Whistle Blower Policy in place. The Company takes cognizance of complaints and suggestions by employees and others. All the employees of the Company have free access to the Audit Committee of the Company. The weblink for Whistle Blower Policy is <https://www.lactoseindialimited.com/pdf/annualreports/Vigil%20Mechanism%20Whistle%20Blower%20Policy.pdf>

- b) The Board of Directors has laid down a Code of Conduct for all the Board Members and Members of the Senior Management of the Company. In addition there is also a Code of Conduct for Regulating, Monitoring and Reporting of Trading in shares of the Company by Designated Persons. A declaration from the Chairman affirming compliance of the said Code is annexed.

The detailed policy on dealing with related party transactions is posted on the Company's website at <https://www.lactoseindialimited.com/> and can be accessed at web-link. <https://www.lactoseindialimited.com/pdf/annual-reports/Related-Party-Transaction-Policy.pdf> web link where policy

for determining 'material' subsidiaries is <https://www.lactoseindialimited.com/pdf/annual-reports/Policy-on-material-Subsidiary.pdf>

- c) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- A) number of complaints filed during the financial year: 0
 - B) number of complaints disposed off during the financial year: 0
 - C) number of complaints pending as on end of financial year: 0
- d) A Certificate from a Company Secretary in practice as required 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 Board/ Ministry of Corporate Affairs or any such Statutory Authority. The certificate of Company Secretary in practice is annexed.
- e) The company has paid a consolidated amount of Rs. 10.96 Lakhs as total fees for all services rendered by the statutory auditor and all entities in the network firm/network entity to which the statutory auditor is part.
- f) The corporate governance report discloses the extent to which the discretionary requirements as specified in Part E Schedule II have been adopted.

Code of Conduct for Board Members and Senior Management:

The Board has laid down the code of conduct for all the Board members and members of the Management of the Company. Additionally all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder.

All the Board members and Management personnel have affirmed compliance with the code of conduct. The Code of Conduct is available on the website of the company.

DECLARATION BY THE MANAGING DIRECTOR

I, Atul Maheshwari, Managing Director of Lactose (India) Limited, hereby declare that all the members of the Board of Directors and the Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the Listing Regulations for the year ended 31st March, 2025.

For Lactose (India) Limited

Sd/-

Atul Maheshwari
Managing Director
DIN: 00255202

Date: 22.08.2025

Place: Mumbai

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mandatory Requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

CEO / CFO Certification:

The Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

By Order of the Board

Sd/-

Sangita Maheshwari
(CFO)
DIN: 00369898

Date: 22.08.2025

Place: Mumbai

Regd. Office:

Survey No. 5,6 & 7A
Village Poicha (Rania), Taluka Savli,
District Vadodara, Gujarat – 391780

The Board of Directors

LACTOSE (INDIA) LIMITED

Survey No.5,6 &7A Village Poicha (Rania) Savli, Baroda GJ 391780.

Auditors Certificate confirming compliance with the conditions of Corporate Governance for the F.Y. 2024-25.

1. This Certificate is issued in accordance with the terms of our engagement letter dated 15th November, 2024.
2. The proposed certificate is required to be submitted to BSE Limited along with the Annual Report of the company for FY 2024-25.

Management's Responsibility for the Statement

3. The preparation of the Report of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintaining relevant supporting records and documents applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company provides all relevant information to BSE Limited as may be required from time to time.

Auditors Responsibilities

5. We have examined and reviewed the following data:
 - a) Minutes of Board and Committee Meetings
 - b) Attendance Register of Board and Committee Meetings
 - c) Minutes of AGM and EGM
 - d) Website of the company
 - e) Draft Corporate Governance Report
6. Pursuant to the requirement of the Company, it is our responsibility to provide a reasonable assurance that the Company has complied with all the rules and regulations as mentioned under "Annexure I".
7. We conducted our examination of the Certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on the information & explanation given to us and the documents produced before us by Company, we are of the opinion that the information provided in "Annexure I" is true and correct in all manners.

Restriction on use

10. The certificate is specifically addressed to and provided to the Board of Directors at the request of the Company to submit the same with the BSE Limited and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For D M K H & Co.

Chartered Accountants

Firm Reg. No. 116886W

Sd/-

Shikha Kabra

Mem No.: 179437

Date: 20th August, 2025

Place: Mumbai

UDIN: 25179437BMSCKA6005

ANNEXURE I

Dear Sir/Madam,

Auditors Certificate confirming compliance with the conditions of Corporate Governance for the F.Y. 2024-25.

We have examined the compliance of conditions of Corporate Governance by Lactose (India) Ltd ("the Company") for the year ended 31st March, 2025 as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to 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 the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2025.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D M K H & Co.
Chartered Accountants
Firm Reg. No. 116886W

Sd/-
Shikha Kabra
Mem No.: 179437
Date: 20th August, 2025
Place: Mumbai
UDIN: 25179437BMSCKA6005

ANNEXURE TO CORPORATE GOVERNANCE REPORT**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI
(Listing Obligation Disclosure requirement) Regulation, 2015)

To,

The Member of

Lactose (India) Limited

CIN: L15201GJ1991PLC015186

Add: Survey No. 5,6,7A Village Poicha (Raina) Savli,
Vadodara Gujarat- 391780.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Lactose (India) Limited having CIN: L15201GJ1991PLC015186 and having registered office at Survey No. 5,6, 7A Village Poicha (Raina) Savli, Vadodara Gujarat- 391780 (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 Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in) 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 Directors 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 the Companies by the Securities Exchange and Board of India, Ministry of Corporate affairs or any such other Statutory Authority.

Sr. No.	Name of the Directors	DIN	Original date of appointment in company
1.	Mr. Atul Maheshwari	00255202	11/03/1991
2.	Mrs. Sangita Maheshwari	00369898	24/01/2014
3.	Mr. Dhaval Jayant Soni	00751362	19/03/2022
4.	Mr. Nandan Srinath	08184159	08/08/2024
5.	Mr. Chandra Mohan Bhagavatula	09612261	08/08/2024

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 **Jajodia & Associates**
Practicing Company Secretaries

Sd/-

Priti Nikhil Jajodia

Mem No.: 36944

COP: 19900

Date: 18th August, 2025

Place: Mumbai

UDIN: A036944G001025778

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Lactose India Limited, is a leading Asian manufacturer of pharmaceutical-grade lactose monohydrate and lactulose. Holding a 40% share of India's lactose market, it produces 10,000 MT of lactose and 2,400 MT of lactulose annually, adhering to WHO-cGMP, ISO 9001:2008 and EXCiPACT standards. The company invests in automation to enhance efficiencies in manufacturing, supply chain and quality operations. Lactose (India) Limited maintains a robust quality management system to ensure regulatory compliance and manufacturing capabilities for high quality products.

Industry & Business Overview:

Lactose (India) Limited operates in two B2B niches of the pharma value chain:

Lactose (Excipients): Primarily used as a filler/diluent in solid oral dosage forms; quality and consistency drive customer stickiness.

Lactulose (API): A synthetic disaccharide used in hepatic encephalopathy (HE) and chronic constipation; demand is tied to GI and liver-care therapy trends and formulary access.

Our competitive positioning rests on GMP-compliant manufacturing, supply reliability, and cost discipline. For Lactose, differentiation is driven by particle engineering (flowability, compressibility) and impurity control. For Lactulose API, by process control (galactose/fructose profiles), low RRT impurities, and robust documentation (DMFs/CEP).

Growth in the Lactose Segment:

The global pharmaceutical lactose market, valued at USD 2.03 billion in 2023, is projected to reach USD 3.21 billion by 2032 (CAGR 5.2%). Lactose monohydrate milled and sieved grade dominates (38.6%–45% market share), with pharmaceuticals consuming 100,000–150,000 tons annually. Lactose India Limited expanding its 10,000 MT capacity to 20,000 MT, targeting Asia-Pacific's booming pharmaceutical industry (7.5% CAGR in India). Introducing specialized grades (spray-dried, anhydrous, inhalation) and leveraging partnerships can boost exports. Competitive pricing, cGMP compliance, and marketing at global expos will further enhance our share.

Growth in the Lactulose Segment:

Global lactulose production exceeded 9,800 MT in 2024, with 85% (8,330 MT) used in pharmaceuticals. Lactose India Limited existing 2,400 MT facility is the Asia's only lactulose plant, positions it for growth. Expanding to 3,500–5,000 MT, targeting constipation and prebiotic applications, and penetrating markets like South Asia and Africa can drive revenue. R&D into high-purity grades and new uses (e.g., probiotics) will differentiate its offerings.

Opportunities and Threats:

Our Company is into manufacture of Excipients (Lactose), which falls under binders segment of excipients. The Binders segment held the largest share in the Pharmaceuticals Excipients in 2021. Binder excipients also play a major role during the formulation of drugs or medicines because they improve the bulkiness, disintegration, and dissolution rate of the drugs. Hence there has been an increasing demand of these excipients during the manufacturing of drugs and medicines.

There are very few manufacturers of API (Lactulose) developed by the company worldwide, which has high demand in the global and domestic market.

While the underlying demand drivers for global markets continue to remain broadly intact, the operating environment has become significantly tougher for sub-scale business models, as sector profitability comes under pressure.

Segment-wise or product-wise performance:

The Company's business activity falls within a single business segment i.e. Pharmaceutical Business.

Outlook:

The company now emphasizes optimum utilization of its Excipients and API plant capacity for production and is focused on new product development. The outlook of the company remains positive during the financial year. The company enjoys cGMP approvals, and all the facilities are built and operated according to the cGMP (current Good Manufacturing Practices).

Concerns:

- Set-up of Raw Material supply chain for Lactose Manufacturing, due to increased sales.
- Increase in Working Capital requirement, due to increased sales.

Internal Control System and their adequacy:

Being a pharma company and ISO Certified the process parameters are fully documented and are in place. The role and responsibilities of various people are fully defined in all the functional level. There is a continuous flow of information at all level and effective internal audit and internal checks are done at regular interval to ensure their adequacy and efficiency.

Additionally, the following measures are taken to ensure proper control:

- Budgets are prepared for all the operational levels.
- Any material variance from budget has to be approved by the Commercial director.
- Any major policy change is approved by the managing director.
- Any deficiency in not achieving target is reviewed at management meetings.

Discussion on financial performance with respect to operational performance:

Particulars	(Rs. In Lakhs)	
	F.Y. 2024-25	F.Y. 2023-24
Revenue from Operation	11639.93	11388.98
Other Income	145.39	112.49
Profit/Loss Before Depreciation and Tax	1230.89	1488.27
Tax (Including Deferred Tax) Net	175.49	287.50
Profit/Loss After Depreciation and Tax	516.29	678.90

Human Resource development / Industrial relations:

The company continues to focus on training and motivation of manpower so as to develop team of qualified and skilled personnel to effectively discharge their responsibilities in a number of projects and activities. It is in this context; we have been working towards promoting the skills and professionalism of our employees to cope with and focus on the challenges and growth. The overall industrial relations atmosphere continues to be cordial. The company has revamped the existing HR policies to me more people friendly and offered them a better work-life balance.

Details of significant changes:

Particulars	F.Y. 2024-25	F.Y. 2023-24
Debtors Turnover	6.29	8.17
Inventory Turnover	2.56	2.61
Interest Coverage Ratio	3.59	3.91
Current Ratio	1.28	1.40
Debt Equity Ratio	0.97	0.84
Operating Profit Margin(%)	14.57%	16.68%
Net Profit Margin(%)	4.39%	5.74%

Details of any change in Return on Net Worth:

The Company Return on Net Worth (RoNW) has decreased to **8.71%** for financial year 2024-25 as compared to **13.88%** for financial year 2023-24. The increase in RoNW was primarily due to increase in turnover of the company.

INDEPENDENT AUDITOR'S REPORT

To the Members of Lactose India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Lactose (India) Limited** ("the Company"), which comprises the balance sheet as at 31st March 2025, and the statement of Profit and Loss (including Other Comprehensive Income), statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its profit and other comprehensive income, its cash flows and changes in equity 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 Act. Our

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

Other Matters

The financial statement of the Company for the year ended 31st March 2024 were audited by another auditor, who expressed an unmodified opinion vide their Audit report dated 30th May 2024.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Auditors' response
Information Technology and General Controls: The Company is dependent on its information technology (IT) systems known as a TCSiON due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environment. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a key audit matter.	We obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: <ul style="list-style-type: none"> We tested the design, implementation, and operating effectiveness of the Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned/modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
 2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit
 3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
 - Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting in preparation of the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

any significant deficiencies in internal control that we identify during our audit.

4. 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 of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 Balance Sheet, the Statement of Profit & Loss (including other comprehensive income), the statement of changes in Equity, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2025 and 1st April, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16)

of the Act which are required to be commented upon by us.

- 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements (refer note no 39 of the Financial Statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material 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 person or entity, including foreign entity ("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;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. Since The Company has not declared / paid any dividend during the year, Section 123 of the Act is not applicable.
- vi. Based on our examination, which include test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transaction recorded in software. Further during our audit, we did not come across any instances of the audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For DMKH & CO.
Chartered Accountants
Firm Registration No.: 116886W

Sd/-
Shikha Kabra
Partner
Membership No.: 179437
UDIN: 25179437BMSCJM6724

Place: Mumbai
Date: May 30, 2025

“Annexure A”

Annexure referred to in Paragraph 1 of “Report on Other Legal and Regulatory Requirements” of our Independent Auditor’s Report of even date to the members of Lactose (India) Limited (“the Company”) on the Financial Statements for the year ended March 31, 2025.

As required by the Companies (Auditors Report) Order, 2020 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) (a) (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property Plant and equipment.
- (ii) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the Property, Plant and Equipment have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the company and the nature of its assets. The frequency of verification is reasonable and no discrepancies have been noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i) (d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The inventories has been physically verified at reasonable interval by the management.’ In our opinion, the coverage & procedure of such verification is appropriate. No material discrepancies were noticed on such verification.

- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements are filed with such Banks/ financial institutions are in agreement with the books of account except for the difference mentioned in Note No.21
- (iii) (a) According to the information and explanation provided to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to any other entity. The details of such loans or advances and guarantees or security to parties other than subsidiary, joint ventures and associates are as follows:

Particulars	Loans (Rs. in Lakhs)
Aggregate amount provided during the year	160.00
- Others	
Balance Outstanding as at balance sheet date in respect of above cases	160.00
- Others	

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.
- (d) There are no amounts overdue for more than ninety days in respect of the loan granted to Other Parties.
- (e) According to the information and explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company
- (f) According to the information and explanation provided to us, the Company has not any granted loans and / or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance

with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable
- (vi) The Central Government has prescribed the maintenance of cost record under Section 148(1) of the Act. We have not reviewed the cost records maintained by the Company but based on the information submitted by the Company we are of the view that such accounts and records have been made and duly maintained.
- (vii) (a) According to the records of the Company, the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Customs, duty of Excise, Cess, and other statutory dues wherever applicable have regularly been deposited with the appropriate authorities. There are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at March 31, 2025 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, outstanding statutory dues relating to Income tax, Goods and Service Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of the dues	Amount involved (Rs in lakhs)	Amount paid (Rs in lakhs)	Period to which amount relates	Forum where dispute is pending.
Income Tax Act, 1961	Income Tax	20.23	3.03	A.Y.2013-14	The Commissioner of Income Tax Appeal (Mumbai)
Central Excise Act, 1944	Excise Duty	102.82	4.84	October 2014 to June 2017	Appeal to the appellate Tribunal in the Customs, Excise & Service Tax Appellate Tribunal
GST ACT	Central Tax	8.29	0.83	Prior to June 2017	Office of the commissioner, CGST and Central Excise(appeals), Vadodara
Service Tax	Service Tax	79.06	3.76	April 14 to March 15	Appeal to the appellate Tribunal in the Customs, Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	16.35	-	A.Y.2016-17	The Commissioner Income Tax Appeal (Mumbai)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) Since the company is not having any Subsidiaries, associate & joint venture the provision stated in paragraph 3(ix) (e) of the Order is not applicable to the Company.
- (f) Since the company is not having any Subsidiaries, associate & joint venture the provision stated in paragraph 3(ix) (f) of the Order is not applicable to the Company.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment of equity warrants during the year. The funds raised, have been used for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit.
- (xi) (a) According to the information & explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with of section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- ((xviii) There has been resignation of the statutory auditor during the year, and we have taken into consideration of issues, objections or concerns raised by the outgoing auditor.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the

Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Company's annual report is expected to be made available to us after the date of this auditor's report.

- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a fund specified in schedule VII to the Companies Act or special account in compliance with the provision of sub section (6) of Section 135 of the Companies Act. Accordingly, reporting under clause (xx) of the order is not applicable for the year.
- (xxi) According to the information and explanations given to us, the Company does not have any Subsidiary / Associate / Joint Venture. Accordingly, there is no preparation of consolidated financial statements. Accordingly, the provisions stated in paragraph clause 3 (xxi) of the Order are not applicable to the Company.

For DMKH & CO.
Chartered Accountants
Firm Registration No.: 116886W

Sd/-
Shikha Kabra
Partner
Membership No.: 179437
UDIN: 25179437BMSCJM6724

Place: Mumbai
Date: May 30, 2025

Annexure “B”

To the Independent Auditor’s Report on the Financial Statements of Lactose India Limited for the year ended 31st March 2025

Report on the Internal Financial Controls with reference to the aforesaid financial statement under clause (i) of Sub-section 3 of Section 143 of the Act

Opinion

We have audited the internal financial controls over financial reporting of Lactose India Limited (“the Company”) as of 31st March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management’s Responsibilities for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls 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 operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to 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 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 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For DMKH & CO.
Chartered Accountants
Firm Registration No.: 116886W

Sd/-
Shikha Kabra
Partner
Membership No.: 179437
UDIN: 25179437BMSCJM6724

Place: Mumbai
Date: May 30, 2025

Balance Sheet as at 31st March 2025

(₹ in lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	5,168.68	5,343.23
Capital Work in Progress	3 (b)	1,023.94	-
Intangible Asset	3 (c)	5.26	5.68
Right of use Assets	3 (d)	58.43	117.22
<u>Financial assets</u>			
(i) Investments	4	0.04	0.05
(ii) Security deposit	5	874.49	657.09
Other non-current assets	6	483.25	406.18
Total non-current assets		7,614.09	6,529.45
Current assets			
Inventories	7	2,455.30	1,679.32
<u>Financial assets</u>			
Trade receivables	8	2,163.99	1,539.60
Cash and cash equivalents	9	448.06	153.00
Bank balances other than Cash and cash equivalents	10	45.22	32.56
Loans	11	160.00	-
Other Financial Assets	12	8.89	2.80
Other current assets	13	451.13	137.15
Total current assets		5,732.59	3,544.43
TOTAL ASSETS		13,346.68	10,073.88
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	14	1,258.90	1,258.90
Other equity	15	4,615.06	3,451.01
Total equity		5,873.96	4,709.91
LIABILITIES			
Non-current liabilities			
<u>Financial liabilities</u>			
Borrowings	16	2,587.96	2,418.87
Lease Liability	17	5.34	68.71
Provisions	18	129.36	114.87
Deferred Tax Liabilities (Net)	19	232.25	190.09
Other non-current liabilities	20	28.85	31.58
Total non-current liabilities		2,983.76	2,824.12
Current liabilities			
<u>Financial liabilities</u>			
Borrowings	21	3,031.11	1,388.32
Lease Liability	22	58.37	49.37
Trade payables	23		
- Total outstanding dues of micro enterprise and small enterprise; and		360.35	171.87
- Total outstanding dues of creditors other than micro enterprise and small enterprise		703.80	658.40
Other financial liabilities	24	104.02	91.79
Other current liabilities	25	71.82	62.72
Provisions	26	89.66	66.42
Current tax liability (Net)	27	69.82	50.96
Total current liabilities		4,488.96	2,539.85
TOTAL EQUITY AND LIABILITIES		13,346.68	10,073.88

Material accounting policies, key accounting estimates and judgements (Refer note 1-2)

See accompanying notes to the financial statements (Refer note 3 - 51)

As per our report of even date attached

For DMKH & Co.
Chartered Accountants
Firm Registration No.116886W
For and on behalf of the Board
LACTOSE (INDIA) LIMITED
CIN: L15201GJ1991PLC015186
Sd/-
Shikha Kabra
Partner
Mem. No. 179437
Sd/-
Atul Maheshwari
Managing Director
DIN : 00255202
Sd/-
Sangita Maheshwari
Whole Time Director & CFO
DIN : 00369898
Sd/-
Ritesh Pandey
Company Secretary
ACS : A-45942
Place: Mumbai
Date : 30th May, 2025
Place: Mumbai
Date : 30th May, 2025

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

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March 2025	Year ended 31st March 2024
INCOME			
Revenue from Operations	28	11,639.93	11,388.98
Other Income	29	145.39	112.49
Total Income		11,785.32	11,501.47
EXPENSES			
Cost of materials consumed	30	6,051.28	4,886.36
Changes in Inventories of finished goods and Work in progress	31	(814.48)	269.91
Manufacturing Expenses	32	2,484.22	2,402.60
Employee benefits expense	33	1,241.46	1,063.24
Finance costs	34	610.33	525.32
Depreciation and amortisation expenses	3	539.11	521.87
Other expenses	35	981.62	865.77
Total expenses		11,093.54	10,535.07
Profit before tax		691.78	966.40
Tax expense	36		
Current tax		125.53	155.66
Deferred tax liability / (assets)		43.83	130.86
Tax of Earlier Years		6.13	0.98
Total Tax expense		175.49	287.50
Profit for the year (A)		516.29	678.90
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of post employment benefit obligation		(6.40)	(33.89)
- Income tax effect on above		1.66	8.81
Other comprehensive income for the year, net of tax (B)		(4.74)	(25.08)
Total comprehensive income for the year, net of tax (A+B)		511.55	653.82
Earnings per equity share (EPS)	37		
(per equity share of nominal value Rs. 10 each)			
Basic (in Rs.)		4.10	5.39
Diluted (in Rs.)		4.06	5.39

Material accounting policies, key accounting estimates and judgements (Refer note 1-2)

See accompanying notes to the financial statements (Refer note 3 - 51)

As per our report of even date attached

For DMKH & Co.
Chartered Accountants
Firm Registration No.116886W

For and on behalf of the Board
LACTOSE (INDIA) LIMITED
CIN: L15201GJ1991PLC015186

Sd/-
Shikha Kabra
Partner
Mem. No. 179437

Sd/-
Atul Maheshwari
Managing Director
DIN : 00255202

Sd/-
Sangita Maheshwari
Whole Time Director & CFO
DIN : 00369898

Sd/-
Ritesh Pandey
Company Secretary
ACS : A-45942

Place: Mumbai
Date : 30th May, 2025
Place: Mumbai
Date : 30th May, 2025

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

(₹ in lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit before tax	691.78	966.40
Adjustments for		
Depreciation and amortisation expense	539.11	521.87
Profit on sale of Plant property & equipment	(3.49)	(1.01)
Interest expenses (including fair value change in financial instruments)	526.71	520.94
Interest income	(13.35)	(7.55)
Provision / (Reversal) of provision for expected credit loss	(8.74)	(2.91)
Remeasurement of post employment benefit obligation	(6.40)	(33.89)
Unrealised Gain on exchange fluctuations (net)	0.04	(3.81)
Operating cash flow before working capital changes	1,725.66	1,960.04
Add / (Less) : Adjustments for change in working capital		
(Increase) / decrease in inventory	(775.98)	598.63
(Increase) / decrease in Trade receivables	(615.69)	(283.65)
(Increase) / decrease in Security deposits	(217.40)	(128.90)
(Increase) / decrease in Other financial assets	(0.34)	(0.18)
(Increase) / decrease in Other assets	(325.83)	(199.44)
Increase / (decrease) in Trade Payables	233.87	(992.28)
Increase / (decrease) in Other financial liabilities	12.43	5.44
Increase / (decrease) in Other liabilities	9.09	(43.84)
Increase / (decrease) in Provisions	37.73	35.76
Cash generated from operations	83.54	951.58
Income Tax paid (Net)	(112.79)	(77.05)
Net Cash Flow generated from / (used in) Operating Activities	(29.25)	874.53
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, plant and equipment and intangible assets (including capital work in progress, payable for capital goods and capital advances)	(1,437.70)	(218.54)
Proceeds from sale of Property, plant and equipments	45.98	2.27
Loan granted	(160.00)	-
Fixed Deposits with Banks	(12.67)	0.84
Interest received	7.61	7.55
Net Cash Flow generated from / (used in) Investing Activities	(1,556.78)	(207.88)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of borrowings (net)	1811.88	(29.62)
Issue of Share Warrant	652.50	-
Payment of Lease Liabilities	(54.38)	(58.90)
Proceeds from government Grants received	-	34.30
Interest paid	(528.91)	(517.53)
Net Cash Flow generated from / (used in) Financing Activities	1,881.09	(571.75)
Net Increase / (Decrease) in Cash and Cash Equivalents	295.06	94.90

(₹ in lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Cash and cash equivalents at the beginning of the year	153.00	58.10
Cash and cash equivalents at the end of the year	448.06	153.00
Components of cash and cash equivalents considered for the purpose of cash flow statement		
In bank current accounts	2.85	135.77
In bank overdraft accounts	440.00	-
Cash on hand	5.21	17.23
Cash and cash equivalents as at the end of the year	448.06	153.00

Notes :

The Cash Flow statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

Changes in liabilities arising from financing activities

(₹ in lakhs)

Particulars	As at April 1, 2023	Cash flows	New leases	Other	As at March 31, 2024
Current borrowings	578.59	816.46	-	-	1,395.05
Current lease liabilities	13.26	(66.23)	90.40	11.94	49.37
Non-current borrowings	3,303.82	(845.81)	-	-	2,458.01
Non-current lease liabilities	-	-	68.71	-	68.71
Total liabilities from financing activities	3,895.67	(95.58)	159.11	11.94	3,971.14

Particulars	As at April 1, 2024	Cash flows	New leases	Other	As at March 31, 2025
Current borrowings	1,395.05	1,644.18	-	-	3,039.23
Current lease liabilities	49.37	(54.38)	-	63.37	58.37
Non-current borrowings	2,458.01	169.36	-	-	2,627.37
Non-current lease liabilities	68.71	-	-	(63.37)	5.34
Total liabilities from financing activities	3,971.14	1,759.16	-	-	5,730.31

Material accounting policies, key accounting estimates and judgements (Refer note 1-2)

See accompanying notes to the financial statements (Refer note 3 - 51)

As per our report of even date attached

For DMKH & Co.
Chartered Accountants
Firm Registration No.116886W

For and on behalf of the Board
LACTOSE (INDIA) LIMITED
CIN: L15201GJ1991PLC015186

Sd/-
Shikha Kabra
Partner
Mem. No. 179437

Sd/-
Atul Maheshwari
Managing Director
DIN : 00255202

Sd/-
Sangita Maheshwari
Whole Time Director & CFO
DIN : 00369898

Sd/-
Ritesh Pandey
Company Secretary
ACS : A-45942

Place: Mumbai
Date : 30th May, 2025

Place: Mumbai
Date : 30th May, 2025

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

A) Equity share capital

Particulars	Number	(₹ in lakhs)
Equity shares of Rs.10 each issued,subscribed and paid		
Balance as at 1st April 2023	1,25,89,000	1,258.90
Issue of Equity Share	-	-
Balance as at the 31st March 2024	1,25,89,000	1,258.90
Issue of Equity Share	-	-
Balance as at the 31st March 2025	1,25,89,000	1,258.90

B) Other equity

(₹ in lakhs)

Particulars	Reserves and surplus			Other Comprehensive Income	Money received against share warrants	Total equity attributable to equity holders
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans		
Balance as at 1 April 2023	75.00	1,308.54	1,405.12	8.54	-	2,797.20
Total comprehensive income for the year	-	-	678.90	(25.09)	-	653.81
Balance as at 31 March 2024	75.00	1,308.54	2,084.02	(16.55)	-	3,451.01
Total comprehensive income for the year	-	-	516.29	(4.74)	652.50	1,164.05
Balance as at 31st March 2025	75.00	1,308.54	2,600.31	(21.29)	652.50	4,615.06

Material accounting policies, key accounting estimates and judgements (Refer note 1-2)

See accompanying notes to the financial statements (Refer note 3 - 51)

As per our report of even date attached

For DMKH & Co.
Chartered Accountants
Firm Registration No.116886W

For and on behalf of the Board
LACTOSE (INDIA) LIMITED
CIN: L15201GJ1991PLC015186

Sd/-
Shikha Kabra
Partner
Mem. No. 179437

Sd/-
Atul Maheshwari
Managing Director
DIN : 00255202

Sd/-
Sangita Maheshwari
Whole Time Director & CFO
DIN : 00369898

Sd/-
Ritesh Pandey
Company Secretary
ACS : A-45942

Place: Mumbai
Date : 30th May, 2025

Place: Mumbai
Date : 30th May, 2025

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025**Note 1:****A. Corporate Information:**

Lactose (India) Limited ("the Company") is a listed public company incorporated and domiciled in India, having its registered office at Survey No.5, 6 & 7A, Village Poicha (Rania), Taluka Savli, District Vadodara, Gujarat - 391780. The Company is a Pharmaceutical Company and engaged in the Business of Manufacturing, trading and carrying out job work and manufacturing of Pharmaceutical Products. The Company's equity shares have been listed on the Bombay Stock Exchange.

Note 2: Notes to the financial statements- Material Accounting Policies:**B. Material Accounting Policies:****1. Statement of compliance**

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended and the other relevant provisions of the Act and Rules thereunder.

These financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31st March 2025. The financial statements of the Company were authorized for issue in accordance with resolution of the Board of Directors **on 30th May 2025**.

2. Functional and Presentation Currency

The financial statements are presented in Indian Rupees (INR), the currency of the primary economic environment in which the Company operates. All the amounts are rounded to the nearest rupee Lakhs, unless otherwise indicated. Transaction and balances with values below INR 50,000 have been reflected as "0.00" in financial statements.

a. Basis of Measurement

The financial statements have been prepared on the historical cost basis (i.e. on accrual basis), except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortized cost and
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations

b. Measurement of Fair Value

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company uses valuation techniques, which are appropriate in circumstances and for which sufficient data is available considering the expected loss/ profit in case of financial assets or liabilities.

c. Use of estimates and judgements

The preparation of the Ind AS financial statements of the Company in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions; however, uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the financial statements in the period in which the estimates are revised in any future periods affected.

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025
d. Current versus non-current classification

All the assets and liabilities have been classified as current and non-current as per the normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on the nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Rupees, except when otherwise indicated.

3.1 Revenue Recognition

Revenue is recognized when it is earned, and no significant uncertainty exists as to its realization and when the revenue can be reliably measured.

Revenue from sale of goods is recognized when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

Revenue from the sale of goods is net-off returns, taxes or duties collected on behalf of the government and applicable trade discounts and rebates.

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognized as revenue over the expected period over which the related services are expected to be performed

Interest income is recognized on a time proportion basis considering the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Revenue in respect of export sales is recognized on the basis of dispatch of goods for exports. (i.e. on the date of Bill of Lading).

Dividend is recognized when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reasonably.

Other Income is accounted for on accrual basis, when certainty of receipt is established.

3.2 Inventories

Inventories of Raw Materials, Finished Goods, Semi-Finished Goods, Stores and Spares and Packing Materials, are valued at cost or net realizable value, whichever is lower. Materials-in-transit are valued at cost-to-date. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on past experience.

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

Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

3.3 Property, Plant and Equipment (PPE)
(i) Recognition and Measurement

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment. In other cases, the spare part is inventorised on procurement and charged to the Statement of Profit and Loss on consumption.

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025

An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at regular intervals and changes, if any, are accounted for in line with revisions to accounting estimates.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

(iii) Depreciation

Depreciation on Plant, Property and Equipment has been provided on the Straight - Line basis, over the estimated useful lives of assets. The Company provides pro-rata depreciation from the date of addition / up to the date of deletion made during the reporting period.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposal of the asset and the resultant gains or losses are recognized in the statement of Profit and Loss.

The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

3.4 Intangible Assets**(i) Recognition and Measurement**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

(iii) Amortisation

Intangible assets are amortised on a straight-line basis over the estimated useful life. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate

3.5 Capital Work in Progress

Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress. Expenditure during the construction period is included under Capital Work in Progress & the same is allocated to the respective PPE on the completion of its construction.

3.6 Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of Qualifying Assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

3.7 Non - financial Assets:

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transactions are considered. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment of inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss

3.8 Government Subsidy

Grants and subsidies from the Government are recognized if the following conditions are satisfied,

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned, and reasonable certainty exists of the collection.

Government grants related to revenue are recognized on a systematic basis in net profit in the statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants and subsidies whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet which is disclosed as deferred grant receivable and transferred to the Statement of profit and loss on a systematic basis over the expected useful life of the related assets. Government grants and subsidies related to the income are deferred which is disclosed as deferred revenue arising from government grant in the balance sheet and recognized in the statement of profit and loss as an income in the period in which related obligations are met.

3.9 Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

(i) Current Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(ii) Deferred tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognized for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realization.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025
(iii) Minimum Alternate Tax

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

3.10 Financial Assets
(i) Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the statement of Profit and Loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

(a) Financial Asset at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

(b) Financial Asset Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

(iii) Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, the credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

(iv) De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.11 Financial Liabilities
(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

(ii) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

(a) Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in the Statement of Profit and Loss.

(b) Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

3.12 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.13 Employee Benefits
(i) Short-term employee benefit

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

(ii) Long-term employee benefit
Gratuity Obligation:

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025

and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

Defined Contribution Plans

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond monthly contributions.

Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

3.14 Foreign Exchange Translation and Accounting of Foreign Exchange Transaction**a) Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximates the actual rate at the date of the transactions.

b) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c) Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in non-integral operations.

3.15 Provisions, Contingent Liabilities and Capital Commitments

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed in the financial statements.

3.16 Earnings per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings

Summary of material accounting policies and other explanatory information for the year ended 31st March 2025

per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

3.17 Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

3.18 Cash Flows

Cash flows are reported using the indirect method, whereby net 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 from operating, investing and financing activities are segregated.

3.19 Trade Receivable

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

3.20 Trade payable

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

3.21 Leases
Company as a lessee

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses an incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

C. Application of new and amended standards:

The company has adopted, with effect from April 1, 2024, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

- (i) MCA has issued amendments to IND AS 116 concerning sale and leaseback contracts. The amendment specifies the requirements for a seller-lessee in measuring the lease liability arising from a sale and leaseback transaction. It ensures that the seller-lessee does not recognize any amount of the gain or loss related to the right of use it retains.

Notes forming part of financial statement for the year ended 31st March 2025

Note 3(a) : Property, plant and equipment

Particulars	Land - Freehold	Lease Hold Improvement	Building - (Factory)	Building - (Office)	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Electrical Installations	Total
As at March 31, 2024											
Gross carrying amount											
Balance as at 1 April 2023	280.25	-	1,629.62	10.32	5,796.91	96.98	170.83	34.04	26.08	127.41	8,172.44
Additions	-	-	-	-	171.09	7.30	16.56	8.99	9.30	-	213.24
Deductions made during the year	-	-	-	-	-	-	(25.22)	-	-	-	(25.22)
Balance as at 31 March 2024	280.25	-	1,629.62	10.32	5,968.00	104.28	162.17	43.03	35.38	127.41	8,360.46
Accumulated depreciation											
Balance as at 1 April 2023	-	-	427.63	1.41	1,870.37	73.33	67.21	26.40	21.97	96.79	2,585.11
Depreciation charge	-	-	64.95	0.20	345.36	5.93	20.62	4.56	2.62	11.84	456.08
Deductions	-	-	-	-	-	-	(23.96)	-	-	-	(23.96)
Balance as at 31 March 2024	-	-	492.58	1.61	2,215.73	79.26	63.87	30.96	24.59	108.63	3,017.23
Net carrying amount as at March 31, 2024	280.25	-	1,137.04	8.71	3,752.26	25.02	98.31	12.08	10.79	18.78	5,343.23
As at March 31, 2025											
Gross carrying amount											
Balance as at April, 1, 2024	280.25	-	1,629.62	10.32	5,968.00	104.28	162.17	43.03	35.38	127.41	8,360.46
Additions	-	14.91	-	-	80.71	4.07	232.09	6.99	8.07	-	346.84
Deductions made during the year	-	-	-	-	-	-	(88.65)	-	-	-	(88.65)
Balance as at 31 March 2025	280.25	14.91	1,629.62	10.32	6,048.71	108.35	305.61	50.02	43.45	127.41	8,618.65
Accumulated depreciation											
Balance as at April, 1, 2024	-	-	492.58	1.61	2,215.73	79.26	63.87	30.96	24.59	108.63	3,017.23
Depreciation charge	-	4.04	64.97	0.20	364.19	3.82	26.99	3.99	4.70	6.00	478.90
Deductions	-	-	-	-	-	-	(46.17)	-	-	-	(46.17)
Balance as at 31 March 2025	-	4.04	557.55	1.81	2,579.92	83.08	44.69	34.96	29.29	114.63	3,449.97
Net carrying amount as at March 31, 2025	280.25	10.87	1,072.07	8.51	3,468.79	25.27	260.92	15.05	14.16	12.78	5,168.68

Notes forming part of financial statement for the year ended 31st March 2025
Note 3 (b) : Capital Work in Progress (₹ in lakhs)

Particulars	Amount ₹
Balance as at April 01, 2023	-
Additions	-
Capitalised during the year	-
Balance as at March 31, 2024	-
Balance as at March 31, 2024	-
Additions	1,101.45
Capitalised during the year	77.51
Balance as at March 31, 2025	1,023.94

Capital work-in-progress ageing schedule
As at March 31, 2024 (₹ in lakhs)

Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others	-	-	-	-	-

Capital work-in-progress ageing schedule
As at March 31, 2025 (₹ in lakhs)

Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Plant and Machinery	872.09	-	-	-	872.09
Building	142.93	-	-	-	142.93
Others	8.92	-	-	-	8.92

There are no projects which are temporarily suspended

Note 3(c) : Intangible Asset
(₹ in lakhs)

Particulars	Software	Total
As at March 31, 2024		
Gross carrying amount		
Balance as at April, 1, 2023	3.67	3.67
Addition	5.30	5.30
Disposals	-	-
Balance as on 31st March 2024	8.97	8.97
Accumulated Amortisation		
Balance as at April, 1, 2023	2.76	2.76
Amortisation charge	0.53	0.53
Balance as on 31st March 2024	3.29	3.29
Closing net carrying amount as at March 31, 2024	5.68	5.68
As at March 31, 2025		
Gross carrying amount		
Balance as at April 1, 2024	8.97	8.97
Addition	1.00	1.00
Disposals	-	-
Balance as on 31st March 2025	9.97	9.97
Accumulated Amortisation		
Balance as at April, 1, 2024	3.29	3.29
Amortisation charge	1.42	1.42
Balance as on 31st March 2025	4.71	4.71
Closing net carrying amount as at March 31, 2025	5.26	5.26

Notes forming part of financial statement for the year ended 31st March 2025
Note 3 (d) : Right of use Assets

(₹ in lakhs)

Particulars	Office Premises	Land	Total
As at March 31, 2024			
Gross carrying amount			
Balance as at April, 1, 2023	94.82	9.65	104.47
Addition	163.72	-	163.72
Disposals	94.82	9.65	104.47
Balance as on 31st March 2024	163.72	0.00	163.72
Accumulated Amortisation			
Balance as at April, 1, 2023	77.98	7.72	85.71
Amortisation charge	63.34	1.93	65.26
Disposals	94.82	9.65	104.46
Balance as on 31st March 2024	46.50	0.00	46.50
Closing net carrying amount as at March 31, 2024	117.22	-	117.22
As at March 31, 2025			
Gross carrying amount			
Balance as at April, 1, 2024	163.72	0.00	163.72
Addition	-	-	-
Disposals	-	-	-
Balance as on 31st March 2025	163.72	0.00	163.72
Accumulated Amortisation			
Balance as at April, 1, 2024	46.50	0.00	46.50
Amortisation charge	58.79	-	58.79
Disposals	-	-	-
Balance as on 31st March 2025	105.29	0.00	105.29
Closing net carrying amount as at March 31, 2025	58.43	-	58.43

Note 4 : Investments

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2025
I. Investment at fair value through Profit or loss		
Investment in Equity instruments		
In other companies	0.04	0.05
	0.04	0.05

Notes forming part of financial statement for the year ended 31st March 2025
Note 4.1 Detailed list of non-current investments

Face value of Rs. 10 each, unless otherwise stated

Particulars	As at 31st March 2025		As at 31st March 2024	
	Number	(₹ in lakhs)	Number	(₹ in lakhs)
I. Investments valued At Fair value through Profit and Loss, fully paid up, quoted, unless otherwise stated				
i) Investment in Equity instruments				
Clio Infotech Limited (face value of Rs. 10/- each, fully paid up)	1,000	0.05	1,000	0.05
Less : Adjustment in carrying value of Investments	-	0.01	-	-
	1,000	0.04	1,000	0.05
	1,000	0.04	1,000	0.05

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Details:		
Aggregate of non-current investments:		
Book value of investments	0.05	0.05
Investments carried at fair value through profit and loss	0.04	0.05

Note 5 : Security deposit

(Unsecured & considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Rent deposit	20.05	18.60
Deposit to others	111.26	105.96
Trade deposits*	743.18	532.53
	874.49	657.09

*Refer note 38 of related party disclosures.

Note 6 : Other non-current assets

(Unsecured, considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Appeal Fees Paid Against Dispute	12.46	12.46
Refund pending from tax authorities	2.36	2.36
Capital Advance	136.43	70.51
Deferred portion of securities deposit	324.43	312.09
Staff Advance	7.57	8.76
	483.25	406.18

Notes forming part of financial statement for the year ended 31st March 2025
Note 7 : Inventories

(Valued at Cost or Net Realisable Value whichever is lower)

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Raw Materials and components	314.41	342.66
Work-in-progress	681.24	581.24
Finished goods (including goods-in-transit of ₹ 52.76 Lakhs (P.Y. ₹ 307.59 Lakhs))	1439.93	725.44
Stores, spares and other consumables	19.72	29.98
	2,455.30	1,679.32

For Inventories secured against borrowings, refer Note no. 21

Note 8 : Trade receivables

(Unsecured & considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Trade receivables		
<u>Unsecured</u>		
- considered good	2,163.99	1,548.35
Less: Provision for expected credit loss	-	(8.75)
	2,163.99	1,539.60

Trade receivables are non-interest bearing and are generally with payment terms of upto 90 days from the date of invoice or bill of lading date.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note. 44.

For receivables secured against borrowings, refer Note no.21

Trade Receivables ageing schedule
As at March 31, 2025

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 month	6 month - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,149.74	14.25	-	-	-	2,163.99
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Provision for expected credit loss	-	-	-	-	-	-
	2,149.74	14.25	-	-	-	2,163.99

Notes forming part of financial statement for the year ended 31st March 2025
As at March 31, 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 month	6 month - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,547.91	0.44	-	-	-	1,548.35
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less: Provision for expected credit loss	-	-	-	-	-	(8.75)
	1,547.91	0.44	-	-	-	1,539.60

Note 9 : Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Balances with banks		
- Current accounts	2.85	135.77
- Overdraft accounts	440.00	-
Cash on hand	5.21	17.23
	448.06	153.00

Note 10 : Bank balances other than Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Earmarked balances with banks for:		
Earmarked balances with banks primarily relate to margin money for bank gurantee	45.22	32.56
	45.22	32.56

Margin money amounting to Rs. 45.22 lakhs (PY Rs. 32.56 lakhs) including interest is held as bank guarantee.

Note 11 : Loans

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Inter Corporate Deposit	160.00	-
	160.00	-

Notes forming part of financial statement for the year ended 31st March 2025.

Note 12 : Other Financial Assets

(Unsecured & considered good, unless otherwise stated)

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Interest accrued on deposits	8.54	2.80
Other Receivable	0.35	-
	8.89	2.80

Note 13 : Other current assets

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Duties and Taxes Receivable	313.46	84.31
Advance to suppliers	97.58	24.88
Prepaid expenses	39.49	26.46
Loan to employee	0.60	1.50
	451.13	137.15

Note 14 : Equity Share capital

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Authorised share capital		
1,50,00,000 equity shares of Rs.10/- each	1,500.00	1,500.00
Total authorised share capital	1,500.00	1,500.00
Issued, subscribed and paid-up equity share capital:		
1,25,89,000 (P.Y. 1,25,89,000) equity shares of Rs. 10/- each, fully paid up	1,258.90	1,258.90
Total issued, subscribed and paid-up equity share capital	1,258.90	1,258.90

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Particulars	Number	(₹ in lakhs)
As at 1 April 2023	1,25,89,000	1,258.90
Issued during the year	-	-
As at 31 March 2024	1,25,89,000	1,258.90
Issued during the year	-	-
As at 31 March 2025	1,25,89,000	1,258.90

b) Terms/rights attached to equity shares:

- The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Any fresh equity shares shall rank pari-passu with the existing shares.
- 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes forming part of financial statement for the year ended 31st March 2025.

c) Shareholding of more than 5%:

Name of the Shareholder	As at 31st March 2025		As at 31st March 2024	
	% held	No. of shares	% held	No. of shares
Sangita Maheshwari	30.73%	38,68,951	30.73%	38,68,951
Atul Maheshwari	10.81%	13,61,010	10.81%	13,61,010
SST Private Family Trust	5.96%	7,50,000	5.96%	7,50,000

d) Reconciliation of number of shares

(₹ in lakhs)

Name of Shareholder	As at 31st March 2025		As at 31st March 2024	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the Beginning of the year	1,25,89,000	1,258.90	1,25,89,000	1,258.90
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,25,89,000	1,258.90	1,25,89,000	1,258.90

e) Shareholding of Promoters

Name of the promoters	As at 31st March 2025		As at 31st March 2024		% Change during the year
	No. of Shares	% of total shares	No of Shares	% of total shares	
Mr. Atul Maheshwari	13,61,010	10.81	13,61,010	10.81	-
Mrs. Sangita Maheshwari	38,68,951	30.73	38,68,951	30.73	-
Mrs. Pushpa Maheshwari	1,12,920	0.90	1,12,920	0.90	-
Atul Maheshwari HUF	50,000	0.40	50,000	0.40	-
Mr. Yash Maheshwari	35,360	0.28	35,360	0.28	-
M/s. Madhusa Lifecare Private Limited.	5,75,184	4.57	5,75,184	4.57	-
SST Private Family Trust	7,50,000	5.96	7,50,000	5.96	-

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

Note 15 : Other equity

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Capital Reserves	75.00	75
Securities premium	1,308.54	1308.54
Retained earnings	2,579.02	2067.47
Money received against share warrants	652.50	-
	4,615.06	3451.01

a) Capital Reserves

Reserves is created primarily on acquisition as per statutory requirement. This reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

b) Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This can be utilized in accordance with the provisions of the Companies Act, 2013. There is no movement in securities premium during

Notes forming part of financial statement for the year ended 31st March 2025.

the reporting period.

c) Retained earnings

Retained earning represents the amount of accumulated earnings of the company, less any distribution to shareholder
Movement in retained earnings is as follows:

(₹ in lakhs)		
Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance	2,067.47	1,413.66
Profit/(Loss) for the year as per statement of profit and loss	516.29	678.90
Other comprehensive income for the year	(4.74)	(25.09)
Closing balance	2,579.02	2,067.47

d) Money received against share warrants

During the year ended March 31, 2025, the Board of Directors of the Company, in their meeting held on December 5, 2024, have approved a issuance of 15,00,000 share warrants, each are convertible into fully paid-up Equity Shares of the Company, on preferential basis at a issue price of Rs. 174 per Convertible share warrants. The Company received an aggregate consideration of Rs. 652.50 Lacs, towards minimum 25% of the Total Consideration of the Warrants. Each warrant is convertible into one Equity Share of the Company and the rights attached to Warrants can be exercised at any time, within a period of 18 months from the date of allotment of Warrants. Upon such conversion, Warrant Holders will hold 10.65% Equity Shares in the Company, on fully diluted basis. Equity Shares so issued upon conversion of the Warrants, shall rank pari-passu to existing Equity Shares of the Company.

Note 16 : Borrowings

(₹ in lakhs)		
Particulars	As at 31st March 2025	As at 31st March 2024
Secured		
Term Loan from Banks	3,101.10	3,166.90
Less:- Unammortised Processing Fees	(31.15)	(30.87)
Less: Current Maturities of Long term Borrowings	(639.86)	(744.17)
	2,430.09	2,391.86
Vehicle loan from Bank	196.62	51.44
Less: Current Maturities of Long term Borrowings	(38.75)	(24.43)
	157.87	27.01
	2,587.96	2,418.87

Note:
l) Secured borrowings
Term Loan From NBFCs

- Term loan from Bank of Baroda amounting to Rs. 2,111.01 lakhs (P.Y. Rs. 2,571.69 lakhs) . It carries an interest rate in the range of 9.00% p.a.. The loan is repayable in 78 monthly installment starting from 10th May, 2023
- Term loan from Bank of Baroda amounting to Rs. 173.33 lakhs (P.Y. Rs.230.21 lakhs) . It carries an interest rate in the range of 9.00% p.a.. The loan is repayable in 59 monthly installment starting from 10th August, 2024.
- Term loan from Bank of Baroda amounting to Rs. 344.72 lakhs (P.Y. Rs.365.00 lakhs) . It carries an interest rate in the range of 9.00% p.a.. The loan is repayable in 35 monthly installment starting from 10th February, 2025
- Term loan from Bank of Baroda amounting to Rs. 438.51 lakhs (P.Y. Rs.Nil). It carries an interest rate in the range of 9.00% p.a.. The loan is repayable in 60 monthly installment starting from 10th June, 2026.
- Term loan from Bank of Baroda amounting to Rs. 33.53 lakhs (P.Y. Rs.Nil). It carries an interest rate in the range of

Notes forming part of financial statement for the year ended 31st March 2025.

9.00% p.a.. The loan is repayable in 60 monthly installment starting from 10th September, 2025

The above loan from Bank of Baroda are secured by

The above loan is secured against hypothecation of entire Machineries, electrical installations, furniture & fixtures, office equipment's and other movable fixed assets of the Company, situated at the above mentioned factories, present & future.

Vehicle loans From Bank

- a) Vehicle loan from Bank of Baroda amounting to Rs.38.25 lakhs (PY : Rs.Nil) is secured against respective vehicles. It carries interest rate of 8.95% p.a. and is repayable in 84 equal monthly installment.
- b) Vehicle loan from Bank of Baroda amounting to Rs. 15.17 lakhs (PY : Rs.Nil) is secured against respective vehicles. It carries interest rate of 9.05% p.a. and is repayable in 84 equal monthly installment.
- c) Vehicle loan from Mercedes Benz Financial Institution amounting to Rs. 128.58 lakhs (PY : Rs.Nil) is secured against respective vehicles. It carries interest rate of 8.65% p.a. and is repayable in 60 equal monthly installment.
- d) Vehicle loan from HDFC Bank amounting to Rs. 8.03 lakhs (PY : Rs.13.55 lakhs) is secured against respective vehicles. It carries interest rate of 7.30% p.a. and is repayable in 60 equal monthly installment.
- e) Vehicle loan from Kotak Bank amounting to Rs. 6.59 lakhs (PY : Rs. 10 lakhs) is secured against respective vehicles. It carries interest rate of 7.15% p.a. and is repayable in 60 equal monthly installment.
- f) Vehicle loans from HDFC Bank amounting to Rs. Nil (PY : Rs. 12.49 lakhs) are secured against respective vehicles. The loan has been fully repaid.
- g) Vehicle loan from Axis Bank amounting to Rs. Nil (PY : Rs. 0.34 lakhs) is secured against respective vehicles. The loan has been fully repaid
- h) Vehicle loan from HDFC Bank amounting to Rs. Nil (PY : Rs.15.06 lakhs) is secured against respective vehicle. The loan has been fully repaid.

Note 17 : Lease Liability

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Lease liability	5.34	68.71
	5.34	68.71

Note 18 : Provisions

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Provision for employee benefits		
- Gratuity (Refer note 40)	121.31	114.87
- Leave Encashment	8.05	-
	129.36	114.87

Notes forming part of financial statement for the year ended 31st March 2025.

Note 19 : Deferred Tax Liabilities (Net)

(₹ in lakhs)		
Particulars	As at 31st March 2025	As at 31st March 2024
Deferred Tax Liability on account of :		
Excess of net block of fixed assets as per books over net block for tax	667.38	679.62
Others	1.98	5.08
	669.36	684.70
Deferred Tax Asset on account of :		
Provision for employee benefits	52.76	35.15
Income Tax Disallowances	41.49	19.14
	94.25	54.29
Deferred Tax Liability (Net)	575.11	630.41
MAT Credit Entitlement	342.86	440.32
Total Deferred Tax Liabilities	232.25	190.09

Note 20 : Other non-current liabilities

(₹ in lakhs)		
Particulars	As at 31st March 2025	As at 31st March 2024
Deferred Government Grant	31.57	34.30
Less :- Current Maturities Of Deferred Government Grant	2.72	2.72
	28.85	31.58

The Company had received the following government grants:

- (a) Incentive against Capital Investment the company had received a capital subsidy of Rs.35 Lakhs from the state government in the FY 2023-24 towards the investment made in the Equipment. As per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance', the grant received is recognized as deferred income and is being amortized over the useful life of the related asset.

Note 21 : Short Term Borrowings

(₹ in lakhs)		
Particulars	As at 31st March 2025	As at 31st March 2024
Secured		
Cash Credits from Banks	2,338.71	626.45
Term Loan from Bank	21.91	-
Current maturities of long term Borrowings(refer note 16)	678.62	768.60
Current Portion of Unammortised Processing Fees.	(8.13)	(6.73)
	3,031.11	1,388.32

1) Working Capital From Bank.:

Working Capital loan from Bank of Baroda amounting to Rs.2,338.71 lakhs (P.Y. Rs, 626.45 lakhs) is secured by 1st Hypothecation charge on Stocks, Receivable. It carries interest @9.00%

2) Term loan from Bank.:

Term loan from Bank of Baroda amounting to Rs.21.91 lakhs (P.Y. Rs. Nil) . It carries an interest rate in the range of 9.00% p.a.. The loan is repayable in 12 monthly installment starting from 10th September, 2024.

Notes forming part of financial statement for the year ended 31st March 2025.

The following is the summary of the differences between Current Assets declared with the Bank and as per Audited financial statements:

For the year ended 31st March 2025

(₹ in lakhs)

Name of Bank	Quarter	Particulars of Security	Amount as per Books	Amount reported in Quarterly return	Amount of difference	Remarks
Bank of Baroda	Q1	Inventory	1,987.66	1,987.66	-	
		Debtors	1,990.29	1,990.29	-	
		Creditors	754.34	754.34	-	
	Q2	Inventory	1,794.37	1,794.37	-	
		Debtors	2,056.66	2,056.70	-0.04	
		Creditors	121.38	121.38	-	
	Q3	Inventory	2,556.48	2,556.48	-	
		Debtors	2,318.90	2,318.90	-	
		Creditors	594.19	594.19	-	
	Q4	Inventory	2,367.83	2,367.83	-	
		Debtors	2,039.22	2,039.53	-0.31	
		Creditors	157.42	157.52	-0.10	

For the year ended 31st March 2024

(₹ in lakhs)

Name of Bank	Quarter	Particulars of Security	Amount as per Books	Amount reported in Quarterly return	Amount of difference	Remarks
Bank of Baroda	Q1	Inventory	2,684.03	2,684.03	-	
		Debtors	1,523.28	1,523.28	-	
		Creditors	1,547.81	1,547.81	-	
	Q2	Inventory	2,772.01	2,772.01	-	
		Debtors	1,425.16	1,425.16	-	
		Creditors	1,995.80	1,995.80	-	
	Q3	Inventory	2,071.22	2,071.22	-	
		Debtors	1,765.29	1,765.29	-	
		Creditors	1,309.50	1,309.50	-	
	Q4	Inventory	1,679.33	1,679.33	-	Unbilled Creditors were not considered in Stock Statement
		Debtors	1,548.34	1,548.34	-	
		Creditors	830.27	766.61	63.66	

Note 22 : Lease Liability

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Lease Liability	58.37	49.37
	58.37	49.37

Notes forming part of financial statement for the year ended 31st March 2025.
Note 23 : Trade payables

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note below)	360.35	171.87
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	703.80	658.40
	1,064.15	830.27

The disclosure pursuant to the micro, small and medium enterprises development act, 2006,(msmed act) for dues to micro enterprise and small enterprises as at 31st March 2025 and 31st March 2024 is as under:

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year*;	360.35	171.87
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	4.84	1.38
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract and Mutual Agreement.

Trade Payables ageing schedule
As at March 31, 2025

(₹ in lakhs)

Particulars	Outstanding for following periods				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Micro and Small Enterprises	360.35	-	-	-	360.35
(ii) Others	641.22	6.14	0.18	13.98	661.52
(iii) Disputed Dues - Micro and Small Enterprises	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	42.28
	1,001.57	6.14	0.18	13.98	1,064.15

Notes forming part of financial statement for the year ended 31st March 2025.

As at March 31, 2024

(₹ in lakhs)

Particulars	Outstanding for following periods				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Micro and Small Enterprises	171.87	-	-	-	171.87
(ii) Others	580.58	0.18	13.98	-	594.73
(iii) Disputed Dues - Micro and Small Enterprises	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Unbilled Dues	-	-	-	-	63.67
	752.44	0.18	13.98	-	830.27

Note 24 : Other financial liabilities

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Salary payable	87.57	72.93
Interest accrued but not due	16.20	18.41
Other payables	0.25	0.45
	104.02	91.79

Note 25 : Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Duties & Taxes Payable	42.81	41.53
Current Maturities Of Deferred Grant Receivable	2.72	2.72
Contract liabilities*	26.29	18.47
	71.82	62.72

***Movement in Contract Liabilities**

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance	18.47	2.65
Add: Advance received during the year	359.72	43.76
Less: Adjust against revenue	351.90	27.94
Less: Refund made to customers	-	-
Closing balance	26.29	18.47

Note 26 : Short Term Provisions

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Provision for employee benefits		
- Gratuity (Refer note 40)	37.24	20.32
- Leave Encashment	1.35	-
- Bonus	51.07	46.10
	89.66	66.42

Notes forming part of financial statement for the year ended 31st March 2025.

Note 27 : Current tax liability (Net)

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Current tax liability	69.82	50.96
	69.82	50.96

Note 28 : Revenue from Operations

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Sale of Product and Services Comprises of:		
Sales	10,066.03	9,542.00
Conversion Charges	1,560.61	1,837.18
	11,626.64	11,379.18
Other operating revenue		
Scrap Sales	4.66	6.33
others	8.63	3.47
	13.29	9.80
	11,639.93	11,388.98

Disaggregation information of sale of products

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
India	7,882.94	6,679.60
Outside India	2,183.09	2,862.40
	10,066.03	9,542.00

Timing of revenue recognition

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Goods transferred at a point in time	10,066.03	9,542.00
Services transferred over time	1,560.61	1,837.18
	11,626.64	11,379.18

Contract balances

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Trade Receivables	2,163.99	1,539.60
Contract liabilities	26.29	18.47

Notes forming part of financial statement for the year ended 31st March 2025.

Note 29 : Other Income

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Interest Income	13.35	7.55
Rent Income	24.00	22.78
Unwinding of Interest income on deposits	53.35	29.97
Foreign Exchange Gain	44.69	50.48
Profit on Sale of Property, Plant and Equipment	3.49	1.01
Deferred revenue arising from government grant	2.73	0.70
Miscellaneous Income	3.78	-
	145.39	112.49

Note 30 : Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Raw Material Consumed	5,938.25	4,785.49
Packing Material Consumed	113.03	100.87
Total	6,051.28	4,886.36

Note 31 : Changes in Inventories of finished goods and Work in progress

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
<u>Opening Inventory</u>		
Finished Goods	725.44	929.41
Work-In-Progress	581.25	647.19
	1,306.69	1,576.60
<u>Closing Inventory</u>		
Finished Goods	1,439.93	725.44
Work-In-Progress	681.24	581.25
	2,121.17	1,306.69
Total Changes in Inventories of finished goods and Work in Progress	(814.48)	269.91

Note 32 : Manufacturing Expenses

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Stores and spares consumed	209.53	132.20
Power and Fuel expenses	1,028.19	968.62
Repairs to :	-	-
- Building	15.75	29.17
- Machinery	111.62	91.44
ETP Plant Expenses	141.16	213.81
Laboratory materials consumed	62.02	43.82
Labour Charges	683.26	737.46
Other Factory Expenses	232.69	186.08
	2,484.22	2,402.60

Notes forming part of financial statement for the year ended 31st March 2025.

Note 33 : Employee benefits expense

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Salaries and wages	965.24	810.43
Directors Remuneration	191.57	191.39
Contribution to provident and other funds (Refer note 40 B)	31.83	27.66
Gratuity (Refer note 40 A)	28.20	21.48
Leave Encashment	9.40	-
Staff welfare	15.22	12.28
	1,241.46	1,063.24

Note 34 : Finance costs

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Interest Expenses	448.34	470.15
Interest Expenses on security deposit	59.78	32.68
Interest accrued on lease liability as per Ind AS 116	5.44	11.94
Interest to MSME Parties	4.84	1.38
Interest expenses on Borrowing cost	8.31	6.17
Other Borrowing Cost	83.62	3.00
	610.33	525.32

Note 3 : Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Depreciation on Tangible Asset	478.90	456.08
Amortization on Intangible Asset	1.42	0.53
Depreciation on ROU Asset	58.79	65.26
	539.11	521.87

Note 35 : Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Rent	17.77	5.15
Insurance Charges	33.11	38.91
Legal and Professional fees	139.21	102.55
Commission expenses	57.98	67.79
Travelling & Conveyance	23.24	42.18
Auditor's Remuneration**	10.96	9.24
Exhibition Expenses	83.81	63.01
Marketing Consultancy expenses	60.95	59.88
Sales Promotion Charges	89.60	64.40
Freight Outward	256.19	220.40

Notes forming part of financial statement for the year ended 31st March 2025.

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Provision for expected credit loss	(8.74)	(2.91)
CSR Expense	9.55	-
Adjustment in carrying amount of investment	0.01	-
Miscellaneous Expenses	207.98	195.17
	981.62	865.77

**** Auditors remuneration (excluding GST):-**

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Auditors' remuneration:		
i) Statutory audit fees	9.33	9.24
ii) Others	1.63	
	10.96	9.24

Note 36 : Tax expense

(a) **Amounts recognised in Statement of Profit and Loss**

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Current tax expense (A)		
Current year	125.53	155.66
Short/(Excess) provision of earlier years	6.13	0.98
Deferred tax expense (B)		
Origination and reversal of temporary differences	43.83	130.86
Tax expense recognised in the income statement (A+B)	175.49	287.50

(b) **Amounts recognised in other comprehensive income**

(₹ in lakhs)

Particulars	Year ended 31st March 2025			Year ended 31st March 2024		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligation	(6.40)	1.66	(4.74)	(33.89)	8.81	(25.08)
	(6.40)	1.66	(4.74)	(33.89)	8.81	(25.08)

Notes forming part of financial statement for the year ended 31st March 2025.

(c) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Profit before tax	685.39	932.51
Tax using the Company's domestic tax rate of 27.82%	190.67	258.77
Tax effect of :		
Tax effect on non-deductible expenses/ income	28.93	46.17
Adjustments recognised in current year in relation to the tax of prior years	6.13	0.98
Others	(50.24)	(18.43)
Tax expense as per Statement of Profit & Loss	175.49	287.50
Effective tax rate	25.604%	30.830%

Note:- Company has made provision for income tax as per MAT i.e. 16.69%

Note 37 : Earnings per equity share (EPS)

The amount considered in ascertaining the Company's earnings per share constitutes the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Basic and diluted EPS

(₹ in lakhs)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	516.29	678.90
Weighted average number of equity shares used in computing basic EPS	1,25,89,000	1,25,89,000
Basic - EPS (Rs.) (face value of Rs. 10/- per share)	4.10	5.39
Weighted average number of equity shares used in computing diluted EPS	1,27,09,205.00	1,25,89,000.00
Diluted - EPS (Rs.) (face value of Rs. 10/- per share)	4.06	5.39

Reconciliation of weighted average number of equity shares

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Weighted average number of equity shares used in computing basic EPS	1,25,89,000	1,25,89,000
Add: Conversion of Share warrants	1,20,205.00	-
Weighted average number of equity shares used in computing diluted EPS	1,27,09,205	1,25,89,000

Note 38 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

- a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

	Nature of relationship	Nature of the party
i)	Key Managerial Persons	
	Mr. Atul Maheshwari	Managing Director
	Mrs. Sangita Maheshwari	Whole time Director and CFO
	Mr. Dhaval Jayant Soni	Non Executive- Independent Director
	Mr. Pramod Kalani (resign w.e.f. 12th August 2024)	Non Executive- Independent Director

Notes forming part of financial statement for the year ended 31st March 2025.

	Nature of relationship	Nature of the party
	Mr. Gopal Krishna Sarda (resign w.e.f. 12th August 2024)	Non Executive- Independent Director
	Mr. Nandan Srinath (appoint w.e.f. 8th August 2024)	Non Executive- Independent Director
	Mr. Chandra Mohan Bhagavatula (appoint w.e.f. 8th August 2024)	Non Executive- Independent Director
	Mr Ritesh Pandey	Company Secretary
ii) Relatives of Directors		
	Mrs. Madhu Toshniwal	Relative of Director
	Mr. Yash Maheshwari	Relative of Director
	Mrs. Sagarika Maheshwari	Relative of Director
iii) Enterprises owned or significantly influenced by Key Management Personnel and / or their Relatives		
	Ava Artis LLC	An enterprise where Director's relative is a KMP
	Omega Colors Private Limited	An enterprise where Director's relative is a KMP
	Madhusa Lifecare Private Limited	An enterprise where Director have significant influence
	Vitanosh Ingredients Private Limited	Company having common directors

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

(₹ in lakhs)

Particulars	Nature of Transaction	Year ended 31st March 2025	Year ended 31st March 2024
Mr. Atul Maheshwari	Director's Remuneration	95.78	95.78
Mrs. Sangita Maheshwari	Director's Remuneration	95.78	95.78
	Rent paid	7.56	7.20
	Loan Taken	-	314.45
	Loan Repayment including interest	-	317.43
Mrs. Madhu Toshniwal	Consultancy Charges paid	-	6.90
Mr. Ritesh Pandey	Salary paid	9.73	8.21
Mr Yash Maheshwari	Salary paid	41.71	35.78
Mrs. Sagarika Maheshwari	Salary paid	11.68	4.39
Vitanosh Ingeredients Private Limited	Deposit given	230.86	203.41
	Sales	-	12.74
	Purchase	34.69	33.03
Omega Colors Private Limited	Loan Taken	425.00	-
	Loan Repaid	425.00	-
	Interest Expense	7.46	-
Madhusa Lifecare Private Limited	Loan Taken	200.00	-
	Loan Repaid	200.00	-
	Interest Expense	1.07	-
Ava Artis	Purchase	228.39	710.44

Notes forming part of financial statement for the year ended 31st March 2025.
III. Balance Outstanding of Related Parties:

(₹ in lakhs)

Particulars	Nature of Transaction	Year ended 31st March 2025	Year ended 31st March 2024
Mrs Sangita Maheshwari	Director Remuneration Payable	4.60	2.14
Mr. Atul Maheshwari	Director Remuneration Payable	6.50	5.74
Mrs. Madhu Toshniwal	Expense Payable	-	0.52
Mr. Yash Maheshwari	Salary Payable	2.52	2.21
Vitanosh Ingredients Private Limited	Deposit Receivable	1,065.05	834.20
	Trade Payable	6.70	11.36
Ava Artis	Trade Payable	23.76	272.74
Mrs. Sagatika Maheshwari	Salary Payable	0.81	0.70
Mr. Ritesh Pandey	Salary Payable	0.78	0.66

Note 39 : Contingent liabilities and Commitments

(a) Contingent liabilities disclosures as required under Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets" are given below:

(₹ in lakhs)

Particular	Year ended 31st March 2025	Year ended 31st March 2024
I) Disputed Statutory Liability		
i) Disputed liability in respect of Income tax (AY 13-14)	20.23	20.23
ii) Disputed liability in respect of Service Tax (From April 14 to March 15)	79.06	79.06
iii) Disputed liability in respect of Excise Duty (From Oct 14 to June 17)	102.82	102.82
iv) Disputed liability in respect of GST Act	8.29	8.29
v) Disputed liability in respect of Income tax (AY 16-17)	16.35	-
II) Guarantees		
i) Guarantee given by Bank on behalf of the Company	39.05	29.05
III) Other money for which the company is contingently liable		
i) Duty against the material imported on Advance license (Refer note a below)	513.72	612.61

Note (a): The Company has obtained Advance Licence for purchase of raw material on zero percent custom duty. Under the licence the Company needs to fulfill certain export obligations, failing which, it is liable for payment of custom duty. In case of advance licence, material must be exported within 18 months from the date on which goods were cleared from Customs under advance licence. Export obligation pending is 2542.91 MT (P.Y 2189.01 MT) which needs to be completed under advance License. If the export obligation is not fulfilled, then the duty component will be Rs 513.72 lacs (P.Y Rs 612.61 lacs)

(b) Capital and other commitments :-

Capital commitment as on March 31, 2025 is Rs.290.83 lakhs (PY Rs. Nil)

Notes forming part of financial statement for the year ended 31st March 2025.

Note 40 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The disclosure in respect of the defined gratuity plan are given below:

(₹ in lakhs)

Particulars	Defined benefit plans	
	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the end of the year	158.56	135.19
Funded value of assets (unfunded)	-	-
Net assets / (liability) recognised in balance sheet	(158.56)	(135.19)

Changes in defined benefit obligations

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Defined Benefit Obligation ("PBO") at the beginning of the year	135.19	106.60
Service cost for the year	19.07	13.91
Interest cost for the year	9.13	7.57
Actuarial losses / (gains)	6.39	33.89
Benefits paid	(11.23)	(26.78)
	158.56	135.19

Statement of profit and loss

Amounts recognised in the Statement of Profit and Loss

(₹ in lakhs)

Employee benefit expenses :	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	19.07	13.91
Net interest on net Defined Liability / (Asset)	9.13	7.57
Expenses recognised in the statement of profit and loss	28.20	21.48

Remeasurement (gains)/ losses recognised in OCI

(₹ in lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Actuarial changes arising from changes in financial assumptions	(1.50)	-
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from experience adjustments	7.89	33.89
	6.39	33.89

Notes forming part of financial statement for the year ended 31st March 2025.
Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

(₹ in lakhs)

Financial assumptions	Year ended March 31, 2025	Year ended March 31, 2024
Discount rate	6.75% p.a.	7.1%p.a.
Normal retirement age (in years)	58	58
Salary escalation rate (% p.a.) *	6.50% p.a.	7.00% p.a.
Attrition rate	5% to 1%	5% to 1%
Mortality rate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-14) ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
One percent increase		
i. Discount rate	149.36	127.48
ii. Salary escalation rate - over a long-term	169.08	143.90
iii. Withdrawal rate	158.71	135.24
One percent decrease		
i. Discount rate	169.16	143.97
ii. Salary escalation rate - over a long-term	149.26	127.40
iii. Withdrawal rate	158.37	135.14

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation, keeping all other actuarial assumptions constant.

The expected future cash flows as at March 31, 2025 and March 31, 2024 were as follows:

(₹ in lakhs)

Expected contribution	As at March 31, 2025	As at March 31, 2024
Projected benefits payable in future years from the date of reporting		
1st Following Year	37.24	20.32
2nd Following Year	21.17	19.60
3 rd Following Year	24.16	17.92
4th Following Year	14.89	21.42
5th Following Year	9.97	12.95
Sum of Year 6 to 10 Year	36.95	42.26

Notes forming part of financial statement for the year ended 31st March 2025.
B Defined contribution plans

(a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Contribution to provident fund	29.44	24.95
(ii) Contribution to ESIC fund	2.35	2.71
	31.79	27.66

C Current/ non-current classification

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity		
Current	37.24	66.40
Non-current	121.31	114.87
	158.55	181.27

Note 41 : Segment Reporting as required under Indian Accounting Standard 108, "Operating Segments" :

- (i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. "Manufacturing & Trading of Pharmaceutical Products", hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".
- (ii) Further, from external customers the Company has revenue of Rs.Nil lakhs (March 31, 2024: Rs. 1,514.95 Lakhs from two customers) from whom revenue from transactions is more than 10% of the total revenue from operations.
- (iii) Information about Geographical revenue and non-current assets

(a) Revenue from operations

(₹ in lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
India	9,443.54	8,516.78
Outside India	2,183.09	2,862.40
	11,626.64	11,379.18

(b) All non current assets of the Company are located in India.

Note 42: Leases

Following are the changes in the carrying value of right of use assets for the year ended 31st March 2025

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance of lease liabilities	117.23	18.77
Addition	-	163.72
Deletion	-	18.77
Depreciation	58.79	46.49
Closing balance of lease liabilities	58.44	117.23

Notes forming part of financial statement for the year ended 31st March 2025.

The following is the breakup of current and non current lease liabilities as at 31st March 2025

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liability	58.36	49.37
Non current lease liability	5.34	68.71
	63.70	118.08

The following is the movement in lease liability during the year ended 31st March 2025

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance of lease liabilities	118.08	13.26
Addition	-	159.11
Finance cost accrued during the year	5.44	11.94
Deletion	-	-
Payment of lease liabilities	59.82	66.23
Closing balance of lease liabilities	63.70	118.08

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 on an undiscounted basis

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	80.63	59.82
Later than one year but not later than five year	61.22	68.33
Later than five year	24.50	-
	166.35	128.15

The following are the amounts recognised in the statement of profit and loss:

(₹ in lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on lease liability	5.44	11.94
Amortisation on lease assets	58.79	65.26

Notes forming part of financial statement for the year ended 31st March 2025.

Note 43 : Corporate social responsibility (CSR)

(₹ in lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Amount required to be spent		
Gross Amount required to be spent as per Section 135 of the Act	9.51	-
Add: Amount Unspent from previous years	-	-
Total of previous year shortfall /(Excess)	-	-
Total Gross amount required to be spent during the year	9.51	-
Amount of expenditure incurred	9.55	-
Shortfall / (Excess) at the end of the year	(0.04)	-
Nature of CSR activities		
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	9.55	-
Details of Related party transactions	-	-
Liability incurred by entering into contractual obligations	-	-

The gross amount required to be spent by the company towards corporate social responsibility as per Sec. 135 (5) of the Companies Act, 2013 is Rs. 9.51 Lakh (P.Y Rs. Nil)

Note 44: Unhedged foreign currency

(₹ in lakhs)

Particulars	Foreign Currency	Year Ended 31 March, 2025			Year Ended 31 March, 2024		
		Exchange Rate	Amount in Foreign currency	Amount in Rs.	Exchange Rate	Amount in Foreign currency	Amount in Rs.
I. Assets							
Receivables (trade & other)	USD	85.58	0.54	46.10	83.37	1.12	93.50
Total Receivables (A)			0.54	46.10		1.12	93.50
Hedges by derivative contracts (B)	USD	-	-	-	-	-	-
Unhedged receivables (C=A-B)			0.54	46.10		1.12	93.50
II. Liabilities							
Payables (trade & other)	USD	85.58	0.28	23.74	83.37	3.27	272.74
Total Payables (D)			0.28	23.74		3.27	272.74
Hedges by derivative contracts (E)			-	-		-	-
Unhedged Payables (F=D-E)			0.28	23.74		3.27	272.74
Total unhedged FC Exposures (J=C+F)	USD		0.26	22.36		0.54	46.07

Note 45 : Financial instruments – fair values and risk management

A. Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Notes forming part of financial statement for the year ended 31st March 2025.
(i) Financial instruments by category

(₹ in lakhs)

Particulars	31st March 2025					31st March 2024				
	Non current	Current	FVTPL	FVOCI	Amortised Cost	Non current	Current	FVTPL	FVOCI	Amortised Cost
Financial Assets:										
Investments in Equity Instruments	0.04	-	0.04	-	-	0.05	-	0.05	-	-
Trade receivables	-	2,163.99	-	-	2,163.99	-	1,539.60	-	-	1,539.60
Cash and cash equivalents	-	448.06	-	-	448.06	-	153.00	-	-	153.00
Bank balances other than Cash and cash equivalents	-	45.22	-	-	45.22	-	32.56	-	-	32.56
Security Deposit	874.49	-	-	-	874.49	657.09	-	-	-	657.09
Other financial asset	-	8.89	-	-	8.89	-	2.80	-	-	2.80
Total Financial Assets	874.53	2,666.16	0.04	-	3,540.65	657.14	1,727.96	0.05	-	2,385.05
Financial Liabilities:										
Borrowings	2,587.96	3,031.11	-	-	5,619.06	2,418.87	1,388.32	-	-	3,807.18
Trade payables	-	1,064.15	-	-	1,064.15	-	830.27	-	-	830.27
Lease Liability	5.34	58.37	-	-	63.71	68.71	49.37	-	-	118.08
Other financial liabilities	-	104.02	-	-	104.02	-	91.79	-	-	91.79
Total Financial Liabilities	2,593.30	4,257.65	-	-	6,850.94	2,487.58	2,359.75	-	-	4,847.32

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The management assessed that fair value of cash and cash equivalents, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) Fair value hierarchy

Fair value hierarchy explains the judgement and estimates made in determining the fair values of the financial instruments that are -

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed are classified as Level 3.

If one or more of the significant inputs is not based on observable market data, the respective assets and liabilities are considered under Level 3.

Notes forming part of financial statement for the year ended 31 March 2025
Note 45 : Financial instruments – Fair values and risk management (continued)

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

B. Financial Risk Management
Risk management framework

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

a) Interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Variable rate borrowings	5,461.72	3,793.36
Fixed rate borrowings	196.62	51.44
	5,658.34	3,844.79

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates :

Particulars	As at 31st March 2025	As at 31st March 2024
Increase in basis points	50 basis points	50 basis points
Effect on profit/(loss) before tax, increase by	(27.31)	(18.97)
Decrease in basis points	50 basis points	50 basis points
Effect on profit/(loss) before tax, decrease by	27.31	18.97

Other Price risk

The company is not exposed to the other price risk

b) Foreign currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in U.S. dollars. The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

Notes forming part of financial statement for the year ended 31 March 2025
Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	Currency	As on March 31, 2025		As on March 31, 2024	
		(₹ in lakhs)	FC in Lakhs	(₹ in lakhs)	FC in Lakhs
Trade Payable	USD	23.74	0.28	274.81	3.27
	EURO	-	-	-	-
Trade Receivable	USD	46.10	0.54	93.50	1.12

Note : The Company has not entered into any contracts to hedge foreign currency exposures.

c) Commodity and other price risk

The Company is not exposed to the commodity and other price risk.

ii. 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 trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

Ageing of Accounts receivables :

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
0 - 6 months	2,149.74	1,547.91
6 - 12 months	14.25	0.44
Beyond 12 months	-	-
Unbilled Dues	-	-
Allowance for expected credit loss	-	(8.75)
Total	2,163.99	1,539.60

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movements in provision of doubtful debts

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening provision	8.76	11.66
Add : Provision / (Reversal) for Expected Credit Loss	(8.76)	(2.90)
Closing provisions	-	8.76

b) Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs. 448.06 lakhs and Rs. 153.00 lakhs as at 31 March 2025, and 31 March 2024 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good. Also, Company invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Company to credit risk.

Notes forming part of financial statement for the year ended 31st March 2025.
iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(₹ in lakhs)

Particulars	Contractual cash flows				Total
	On Demand	Less than 1 year	1 - 5 years	More than 5 years	
As at 31 March 2025					
Non - derivative financial liabilities					
Borrowings	2,338.71	700.53	2,579.82	-	5,619.06
Trade payables	-	1,064.15	-	-	1,064.15
Lease Liability	-	58.37	5.34	-	63.71
Other financial liabilities	-	104.02	-	-	104.02
	2,338.71	1,927.07	2,585.16	-	6,850.94
As at 31 March 2024					
Non - derivative financial liabilities					
Borrowings	626.45	768.60	2,412.13	-	3,807.18
Trade payables	-	830.27	-	-	830.27
Lease Liability	-	49.37	68.71	-	118.08
Other financial liabilities	-	91.79	-	-	91.79
	626.45	1,740.03	2,480.84	-	4,847.32

Notes forming part of financial statement for the year ended 31st March 2025.
Note 46 : Ratios

(₹ in lakhs)

Ratio	Basis of Ratio	As at March 31,2025			As at March 31,2024			Variance %	Reason for Variance
		Numerator Current Period	Denominator Current Period	Ratio Current Period	Numerator Previous Period	Denominator Previous Period	Ratio Previous Period		
Current Ratio	Current Assets/ Current Liabilities	5,732.59	4,488.96	1.28	3,544.43	2,539.85	1.40	(8.49)	NA
Debt-Equity Ratio	Total Debt1/ Shareholder's Equity	5,722.05	5,873.96	0.97	3,962.87	4,709.91	0.84	15.78	NA
Interest Coverage Ratio	EBIT/Interest Expense	1,841.22	513.56	3.59	2,013.59	514.77	3.91	(8.34)	NA
Debt Service Coverage Ratio	Earnings available for debt service2/ Debt Service3	2,376.84	1,186.78	2.00	2,534.45	1,114.99	2.27	(11.89)	NA
Return on Equity Ratio	Net profit after taxes / Average Shareholder's Equity	511.55	5,291.94	0.10	653.82	4,382.99	0.15	(35.20)	Due to decrease in profit of the current year, the ratio has been decreased.
Inventory turnover Ratio	Cost of Goods Sold4/ Average Inventories	5,236.80	2,067.31	2.53	5,156.27	1,978.64	2.61	(2.79)	NA
Trade Receivables turnover Ratio	Net Credit Sales / Average Trade Receivables	11,639.93	1,851.80	6.29	11,388.98	1,394.42	8.17	(23.04)	NA
Trade Payables turnover Ratio	Net Credit Purchases / Average Trade Payables	6,023.03	947.21	6.36	4,587.59	1,326.41	3.46	83.85	Improvement in payment cycle have caused a favourable variance.
Net capital turnover Ratio	Net Sales / Working Capital5	11,639.93	1,243.64	9.36	11,388.98	1,004.58	11.34	(17.44)	NA
Net profit Ratio	Net Profit/Net Sales	511.55	11,639.93	0.04	653.82	11,388.98	0.06	(23.45)	NA
Return on Capital employed	Earning before Interest and taxes/ Capital Employed6	1,841.22	11,822.96	0.16	2,013.59	8,857.18	0.23	(31.50)	Due to decrease in EBIT of the current year, the ratio has been decreased.

1 Total Debt = Borrowings + Lease Liabilities

2 Earnings available for debt service = Net profit before tax + finance costs + depreciation & amortisation expense + loss on sale of fixed assets

3 Debt Service = Interest & lease payments + principal payments

4 Cost of Goods Sold = Cost of materials consumed + Purchases of stock-in-trade + Changes In inventories of finished goods (incl. stock-in-trade) and work-in-progress

5 Working Capital = Total Current Assets - Total Current Liabilities

6 Capital Employed = Tangible Networth6+ Total debt + Deferred Tax liability

7 Tangible Networth = Total assets - Total liabilities - Intangible assets

8 Average Investment = Total Equity

Notes forming part of financial statement for the year ended 31st March 2025.
Note 47 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

To maintain or adjust the capital structure, the Company usually turns to reputed banks and other financial institutions for funds. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debts.

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Total debts	5,636.43	3,844.79
Total equity	5,873.96	4,709.91
Total debts to equity ratio (Gearing ratio)	0.96	0.82

Note : For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and current maturities of long term borrowings.

Note 48 : Disclosures with regards to section 186 of the Companies Act, 2013

During the year, the company has granted unsecured loan to the companies as stated below:

(₹ in lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024	Interest Rate
Shri Sagas Connect Pvt. Ltd	160.00	-	9.50%
Total	160.00	-	

Note 49 :

The Board of Directors, in its meeting held on 23rd October 2024, had approved a Scheme of Arrangement ("the Scheme") of merger with Vitanosh Ingredients Private Limited. Documents has been submitted, approval from BSE Limited is received on 28th March 2025 and awaiting the approval from SEBI and NCLT. Pending regulatory and other substantive approvals, no adjustments have been recorded in the financial results for the quarter ended 31st March 2025.

Note 50 : Additional Regulatory Information Required By Schedule iii To The Companies Act, 2013

- The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- Utilisation of borrowed funds and share premium
 - The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 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 to or on behalf of the ultimate beneficiaries.

Notes forming part of financial statement for the year ended 31st March 2025

- II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
5. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
6. The Company has not traded or invested in crypto currency or virtual currency during the year.
7. The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
8. The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

Note 51 : Prior year comparatives

The financial statements for the year ended 31st March, 2024 were audited by another firm of Chartered Accountants and the same have been regrouped, re-arranged and reclassified, wherever considered necessary, to confirm with the current year's presentation. Figures wherever not available/ furnished, if any in last year's financial statements have not been given and hence are not strictly comparable.

As per our report of even date attached

For DMKH & Co.
Chartered Accountants
Firm Registration No.116886W

Sd/-
Shikha Kabra
Partner
Mem. No. 179437

Place: Mumbai
Date : 30th May, 2025

For and on behalf of the Board
LACTOSE (INDIA) LIMITED
CIN: L15201GJ1991PLC015186

Sd/-
Atul Maheshwari
Managing Director
DIN : 00255202

Place: Mumbai
Date : 30th May, 2025

Sd/-
Sangita Maheshwari
Whole Time Director & CFO
DIN : 00369898

Sd/-
Ritesh Pandey
Company Secretary
ACS : A-45942

[illegible]

BOOK - POST



If undelivered, please return to :

LACTOSE (INDIA) LIMITED

Survey No.5, 6 & 7A, Village Poicha (Rania),
Taluka Savli, District Vadodara, Gujarat - 391 780.