August 29, 2026

To,
Listing/ Compliance Department
BSE LTD.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

SCRIP CODE: 543748

To,
Listing/ Compliance Department
National Stock Exchange of India Limited
"Exchange Plaza", Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

SYMBOL: AARTIPHARM

Dear Sir/Madam,

Sub: Notice of the 7th Annual General Meeting ("AGM") and the Annual Report for the Financial Year 2025-26
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Please find enclosed herewith the Annual Report of the Company for the Financial Year 2025-26, along with the Notice of the 7th Annual General Meeting (AGM) of the Company scheduled to be held on **Tuesday, September 22, 2026** at **11:00 a.m. (IST)** through Video Conferencing (VC) / Other Audio Visual Means (OAVM). The AGM will be held without the physical presence of the shareholders at a common venue.

Further, in accordance with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/Depository Participants. Further, the Company has also initiated sending letters containing the web link of the Annual Report for FY 2025-26 to the shareholders whose e-mail addresses are not registered.

The Notice of 7th AGM of the Company along with Annual Report for the Financial Year 2025-26 is available on the website of the Company at web link: https://www.aartipharmalabs.com/annual-reports

Please take the same on your records.

Thanking you,

Yours faithfully,
For AARTI PHARMALABS LIMITED

Jeevan Bhargav Mondkar
Digitally signed by Jeevan Bhargav Mondkar

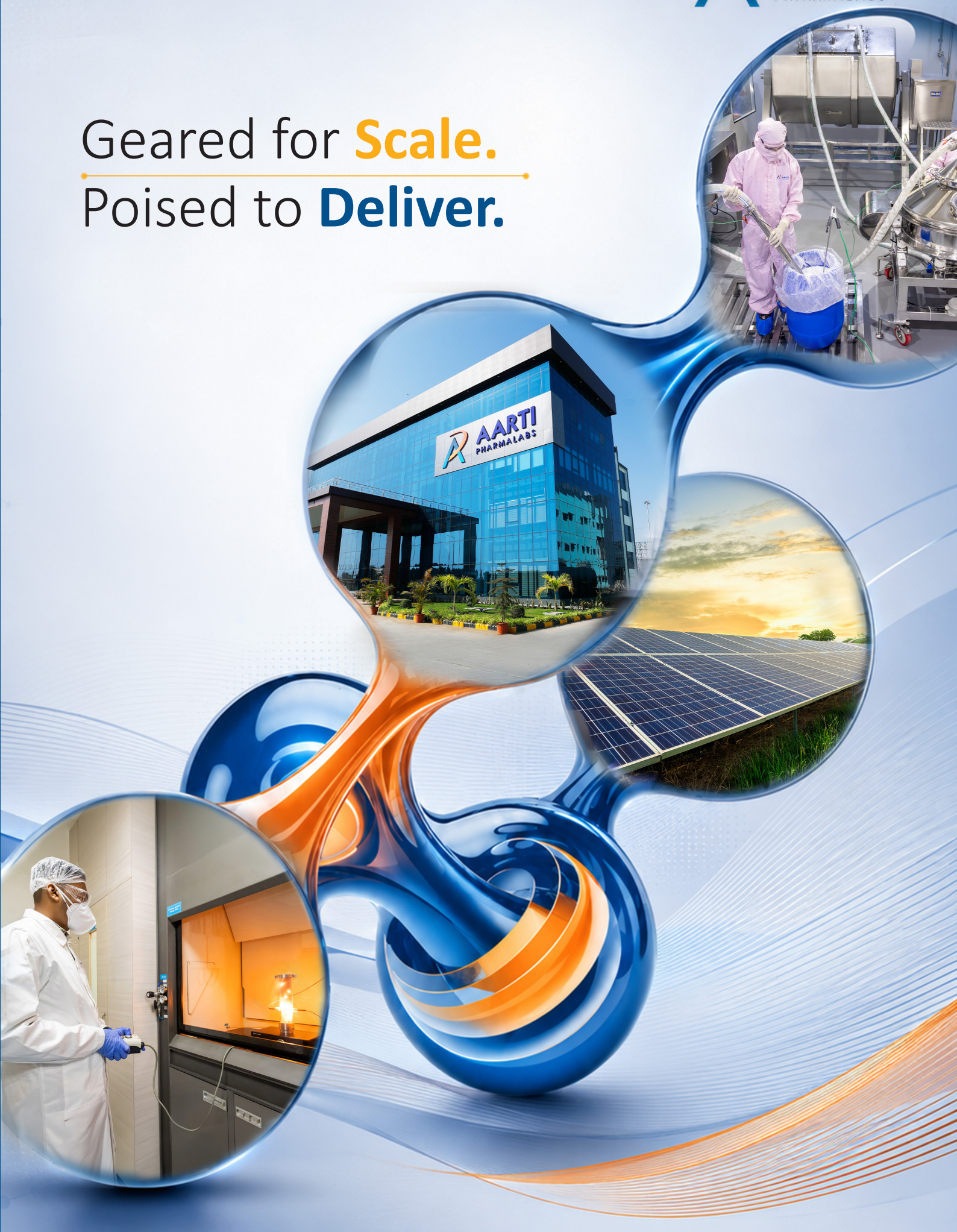
Jeevan Mondkar
COMPANY SECRETARY AND LEGAL HEAD
ICSI M. NO. A22565

Encl.: a/a

Annual Report
2025-26

AARTI PHARMALABS

Geared for **Scale.**
Poised to **Deliver.**



Across the Pages

02-09
Corporate Overview

Our Foundation for Growth	02-03
About Aarti Pharmalabs	04-07
Our Journey	08-09
Business Overview	**10-21**
Manufacturing and R&D Infrastructure	10-15
Business Segment Review	16-19
Operating Environment	20-21
Leadership Messages	**22-29**
Chairman's Message	22-25
Managing Directors' Message	26-29
Business Performance	**30-33**
Performance Highlights	30-31
Investing for Future Growth	32-33
Sustainability	**34-55**
Integrated Approach to ESG	34-35
Environment	36-37
Social: Employees	38-39
Social: Suppliers	40-41
Social: Communities	42-53
Governance	54-55
Chairman Emeritus	**56**
Board of Directors	**57**
Awards	**58**
Corporate Information	**59**

60-154
Statutory Reports

Management Discussion and Analysis	60-67
Directors' Report	68-93
Corporate Governance Report	94-119
Business Responsibility & Sustainability Report	120-154

155-314
Financial Statements

Standalone Financial Statement	155-233
Consolidated Financial Statement	234-314

315-331
Notice

Disclaimer

This document contains statements about expected future events and financials of Aarti Pharmalabs Limited ('The Company'), which are 'forward-looking'. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Geared for Scale.
Poised to Deliver.

Over the past few years, we have steadily invested in the building blocks of our next phase of growth: manufacturing capacity, scientific capabilities, technology, infrastructure and talent. These investments continue, but are now coming together to create a broader and more capable pharmaceutical platform, strengthening our established businesses while creating greater headroom for growth, particularly in CDMO.

Our expanded manufacturing infrastructure, the Atali platform, additional Xanthine capacity and continued investments in R&D and advanced chemistries are increasing the scale, flexibility and depth of our business. We are progressively strengthening this platform to support larger, more complex and higher-value opportunities across the pharmaceutical value chain.

As these capabilities move from investment to utilisation, they create a stronger foundation for converting opportunity into sustained growth. Our deepening CDMO pipeline, continued project progression and long-term customer relationships provide the pathway to scale responsibly, strengthen our existing businesses and translate our expanded platform into enduring performance.

OUR FOUNDATION FOR GROWTH

The Science behind Sustainable Leadership

For more than 25 years, we have focused on the chemistry that is hard to do and harder to replicate. We chose complexity over convenience, building capabilities that few can match and that customers continue to rely on. Today, we stand as a leader in Xanthine derivatives, built on expertise that is difficult to replicate and partnerships that are built to last.

Excellence, for us, has meant depth before size and consistency before scale. More than 25 years in, that is not a destination we have arrived at, but the foundation we are now building on. The work now continues as we bring new capacity on stream, raise utilisation, and scale our CDMO partnerships.

Our lead in Xanthine rests on more than scale. As a fully backward-integrated producer with no dependence on China, we offer customers true supply security. Any new entrant faces years of customer validation and regulatory approval before a first commercial supply. That gap is an advantage that compounds with every year we operate.

Our Momentum

6,000 MTPA

Currently manufacturing and approaching to 9,000 MTPA

₹32 Crores to ₹276 Crores

CDMO revenue growth, FY 2021-22 to FY 2025-26

15-18%

Targeted revenue and EBITDA CAGR over the next 3 to 4 years

~₹400 Crores

Invested in FY 2025-26 to build the next phase of capacity

ABOUT AARTI PHARMALABS

About Aarti Pharmalabs

Aarti Pharmalabs Limited ('APL', or 'The Company'), part of the Aarti Group, is a globally recognised pharmaceutical firm. We specialise in generic APIs, pharmaceutical intermediates, Xanthine derivatives, and CDMO services. Drawing on more than 25 years of pharmaceutical excellence, we combine advanced process chemistry, scale-up engineering, and integrated manufacturing capabilities to deliver innovative, high-quality and regulatory-compliant solutions worldwide.

Vision

To emerge as a 'global partner of choice' for leading consumers of Pharmaceutical and Nutraceutical products.

Mission

Sustainable delivery and business operations for our products and services.

Values

Care

Our devotion to caregiving spans all of our stakeholders, including our team members, clients, suppliers, local community, and the environment.

Excellence

We endeavour to gratify our clients and stakeholders.

Integrity

We consistently uphold the greatest moral and ethical principles.

Philosophy

Safety first, quality always.

Our Businesses

Xanthine Derivatives and Allied Products

As India's largest manufacturer of Xanthine derivatives, we serve the pharmaceutical, nutraceutical, and beverage industries. Our diversified portfolio spans high-purity products built for demanding applications. Backward integration, scale, and a focus on quality have made us a trusted global supplier. This positions us well to capitalise on evolving supply chain opportunities worldwide.

15-20%
Global Market Share

2
Dedicated Manufacturing Plants

9,000 MTPA
Proposed Capacity Post-Expansion

API and Intermediates

We develop and manufacture a diversified portfolio of generic APIs and pharmaceutical intermediates, supported by advanced process chemistry, integrated manufacturing, and regulatory-focused operations. Our expertise in complex chemistries enables us to serve customers across regulated and emerging markets with high-quality, reliable solutions.

60
US DMFs Approval

61
Commercialised APIs

44
CEP Approvals

140+
Pharmaceutical Intermediates

CDMO and CMO

We provide integrated Contract Development and Manufacturing (CDMO & CMO) solutions to global pharmaceutical and biotechnology companies across the product lifecycle. From early-stage development to commercial production, we combine expertise in novel chemistries, process development, and dependable execution to support customers with speed, quality, and reliability.

21
Customers

35
Commercial Projects

19
Under Development Projects*

*At customer's end

What Differentiates Us

Market Leadership

Leading positions across our core businesses, built on differentiated capabilities and a diversified portfolio.

15-20%
Global Market Share in Xanthine Derivatives

Largest
Manufacturer of Xanthine Derivatives in India

Innovation and Process Excellence

Advanced R&D and deep process chemistry expertise drive efficient development, scale-up, and commercialisation of complex molecules.

3
State-of-the-Art R&D Centres

63
Patents Filed

Global Reach

A strong international presence, supported by regulatory-compliant operations and enduring customer relationships across key markets.

500+
Global Customers

50+
Countries Served

Manufacturing Excellence

Integrated manufacturing infrastructure and regulatory-focused operations deliver quality, reliability, and supply chain resilience.

7
Manufacturing Units

60
US DMFs

People and Expertise

A multidisciplinary workforce and experienced leadership foster innovation, operational excellence, and sustainable growth.

2,400+
Employees

Responsible Growth

We ensure sustainability across our operations through responsible manufacturing, resource efficiency, and strong governance practices.

GOLD | Top 5%
ecovadis
Sustainability Rating
APR 2025

EcoVadis Rating

B-
CDP Climate and Water Ratings

Financial Strength

A disciplined capital allocation strategy and resilient balance sheet fund sustainable growth, strategic investments, and long-term value creation.

0.32x
Net Debt/Equity

AA-
Credit Rating

OUR JOURNEY

Scaling Science with Purpose

Formative Years

1984 to 2005

Where the first foundations were laid as a pharmaceutical business within Aarti Industries.

2005
Commissioned the first API manufacturing unit for regulated markets in Tarapur (Unit 4)

2002
Commissioned the first API manufacturing unit in Dombivli (Unit 1) and started the Xanthine unit

1984
Incorporated Aarti Organic Private Limited

2008
Completed the USFDA and EU GMP audit for Tarapur Unit 4

2009
Completed the USFDA audit at the intermediate facility (CSD) in Vapi

2013
Received EU GMP approval for Bicalutamide for the Oncology block at Unit 4

2016
Commissioned caffeine production at Unit 5, with a monthly capacity of 100 MT

2017
Completed COFEPRIS, Mexico audits at Unit 4

2019
Completed an EDQM audit for Bicalutamide for the Oncology block at Unit 4

Build-Up Years

2008 to 2019

Where global approvals and complex chemistry earned us a place in the world's most demanding markets.

A New Phase of Growth

2022 Onwards

Where we became independent and began investing decisively in capacity, R&D, and CDMO.

2024
Started the 21 MW solar power project at Akola, Maharashtra; expanded the semi-commercial production block at Vapi

2023
Operationalised the third R&D centre; secured USFDA approval for the Dombivli unit; commercialised Block V at Tarapur Unit 4; enhanced Xanthine capacity to 5,000 MTPA

2022
Expanded blocks for CSD in Vapi and API in Tarapur; acquired land at Atali for future growth; demerged the pharmaceutical business of Aarti Industries Limited into Aarti Pharmalabs Limited

2025
Commissioned Phase 1 at the Atali greenfield site with 450+ KL reactor capacity; received EcoVadis Gold rating, ranking among the top 5% globally in sustainability

2026
Progressing the Xanthine expansion at Tarapur, with capacity targeted to increase from 5,000 MTPA to 9,000 MTPA and commissioning on June 2026

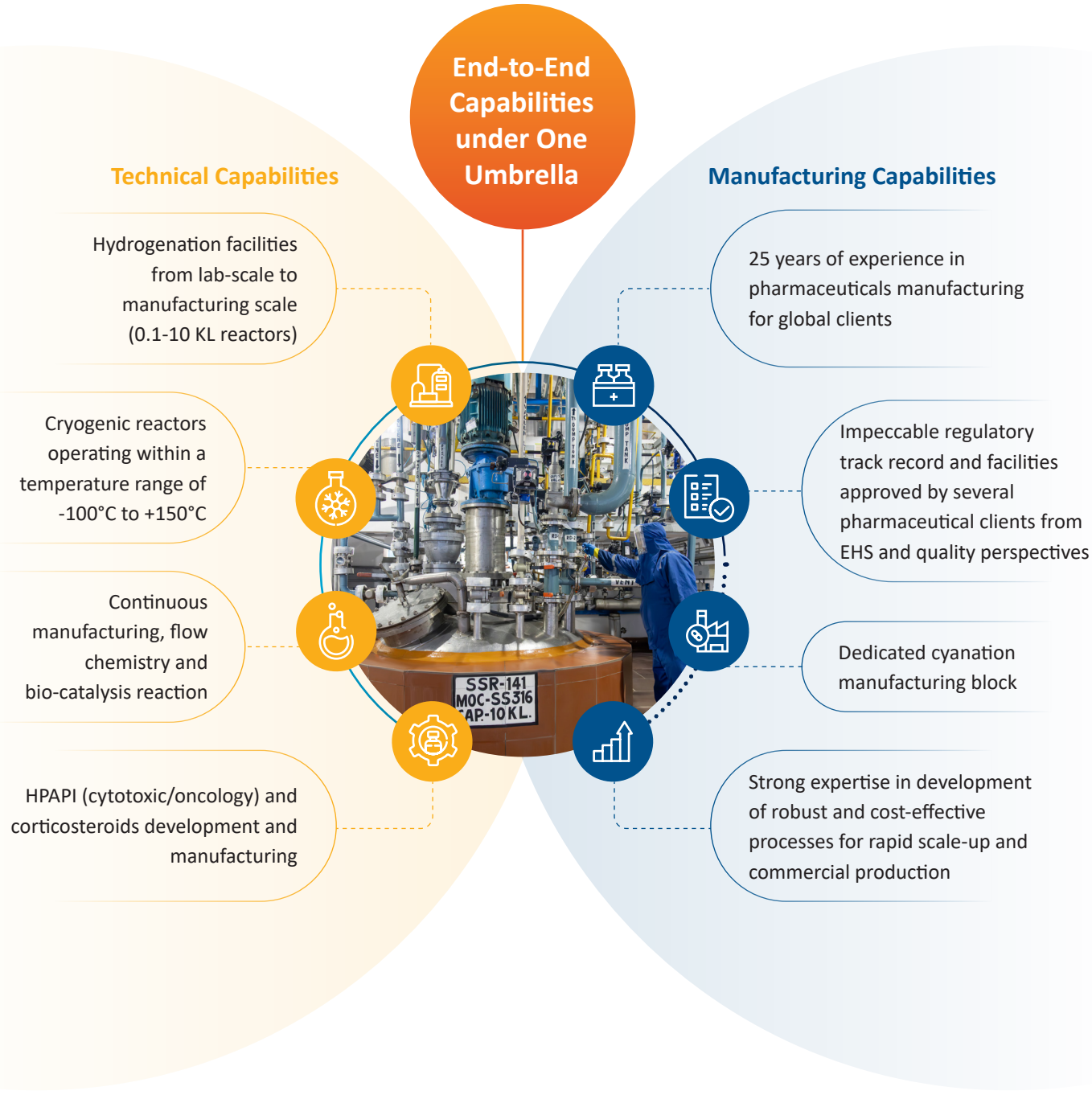
MANUFACTURING AND R&D INFRASTRUCTURE

Built for Complex Chemistry

Our manufacturing and research infrastructure is the foundation on which every customer relationship is built. Our plants and laboratories, concentrated in western India, are backed by deep process-chemistry expertise. Within a single organisation, we take a molecule from first synthesis through to commercial supply, an end-to-end capability that few peers can match.

Manufacturing Capabilities

Our manufacturing platform combines technical depth with the operating discipline that regulated-market supply demands. It is built on difficult, high-value chemistry that many manufacturers cannot or choose not to take on.



Regulatory and Quality Excellence

In pharmaceuticals, market access is earned through regulatory approval. Each approval represents years of documentation, inspection, and proven consistency. Our facilities are accredited by the world's most demanding authorities. That is a barrier few competitors can overcome and the reason why we are a preferred partner for regulated-market customers.

Certifications and Accreditations

FDA

edqm European Directorate for the Quality of Medicines & HealthCare | Direction européenne de la qualité du médicament & soins de santé
COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Ministry of Food and Drug Safety

Cofepris
Comisión Federal para la Protección contra Riesgos Sanitarios

ANVISA
Agência Nacional de Vigilância Sanitária

GOLD | Top 5%
ecovadis
Sustainability Rating
APR 2025

SMETA | Sedex
SMETA the Sedex Members Ethical Trade Audit

CDP

FSSC 22000

STAR-K
KOSHER

JAMIAT ULAMA HALAL FOUNDATION
حلال
HALAL
MUMBAI - INDIA

MAJELIS ULAMA INDONESIA
HALAL

WHO-GMP

fssai

ISO
9001:2015

International Organization for Standardization
ISO
14001:2015

International Organization for Standardization
ISO
45001:2018

FDCA
FOOD DRUGS COSMETICS ADMINISTRATION
GUJARAT STATE
सर्वे संतु निरामया

FDA MAHARASHTRA
GMP

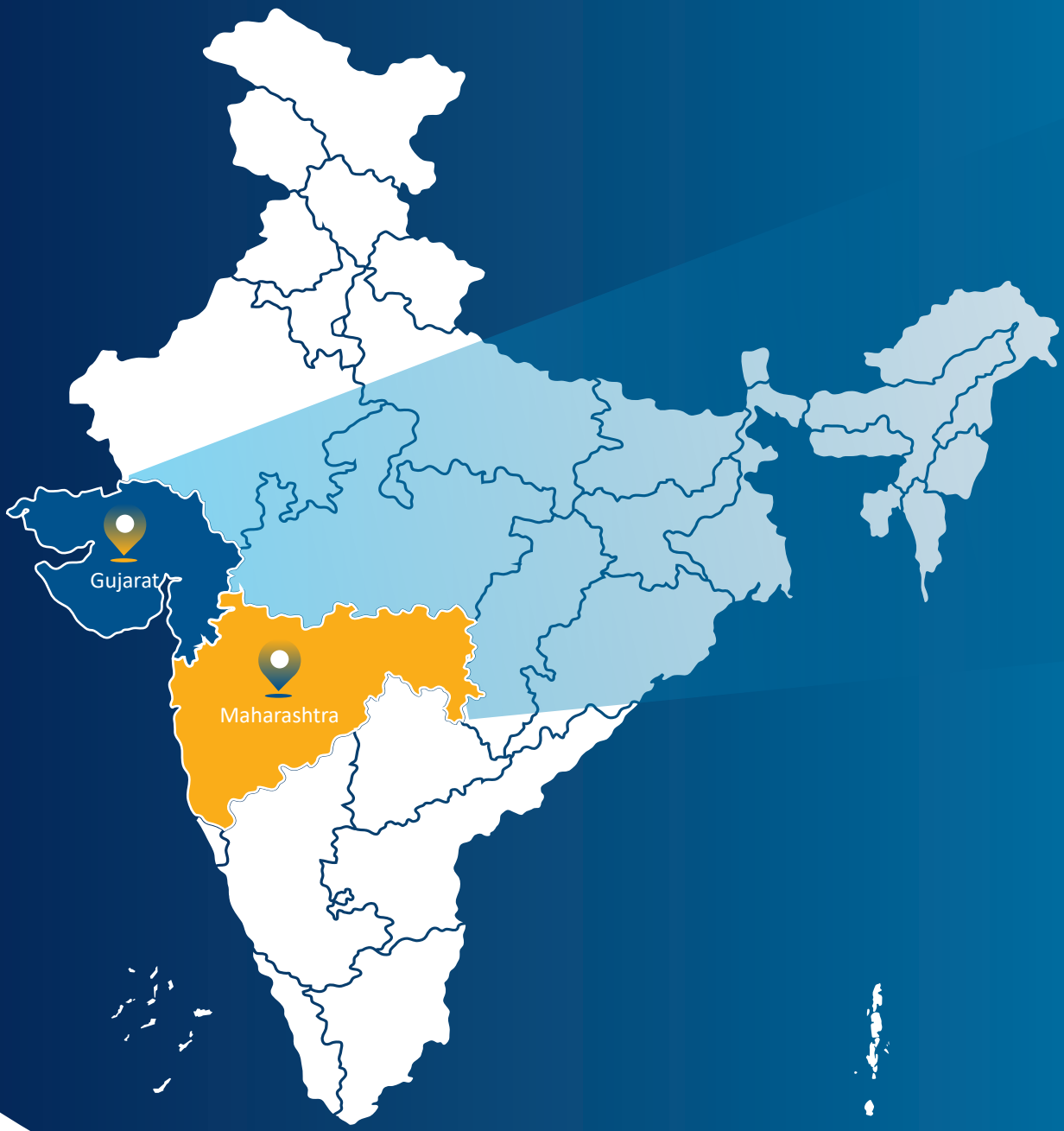
FDCA
FOOD DRUGS COSMETICS ADMINISTRATION
GUJARAT STATE
सर्वे संतु निरामया

GOOD MANUFACTURING PRACTICE
FDA MAHARASHTRA
GOOD MANUFACTURING PRACTICE

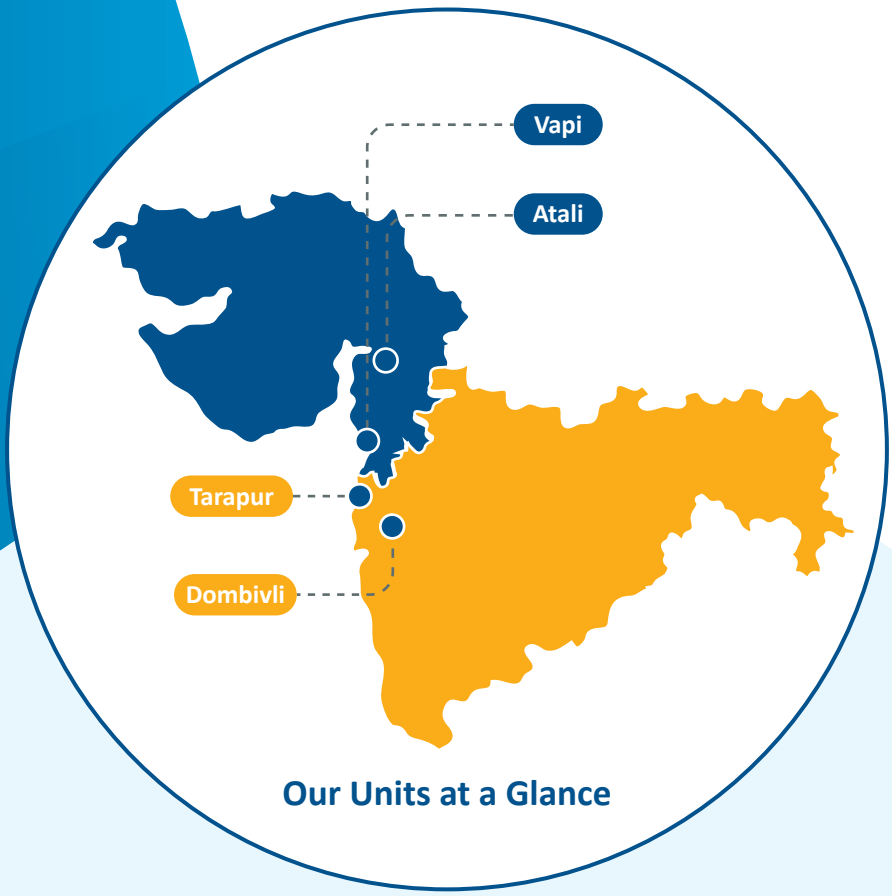
निर्यात निरीक्षण परिषद
EXPORT INSPECTION COUNCIL
GOVT. OF INDIA
भारत सरकार

A Concentrated and Port-Proximate Base

Our operations are deliberately concentrated in Maharashtra and Gujarat, close to major ports and to one another. This strategic arrangement supports efficient logistics, shared technical expertise, and consistent oversight. Each unit has its own specialisation and record of accreditation.



Disclaimer: This map is a generalised illustration for ease of understanding and is not intended for reference. The depiction of political boundaries and geographical names may not reflect actual positions. The Company and its Directors, officers or employees accept no responsibility for any use, misuse or interpretation of the information, and make no representation regarding its accuracy or completeness.



Our Units at a Glance

Location	Units	Products	Key Accreditations
Dombivli	Unit 1	API, intermediates, CDMO	USFDA
Vapi	Unit 2, Custom Synthesis Division	API, intermediates, CDMO	USFDA
Tarapur	Unit 3	Xanthine derivatives (caffeine, theophylline, etofylline, aminophylline)	cGMP
	Unit 4	API, CDMO-API	USFDA, EU GMP, EDQM, KFDA, COFEPRIS, Anvisa
	Unit 5	Xanthine (caffeine)	cGMP, FSSC 22000, Halal, Kosher
	Unit 6	Intermediate unit, xanthine, specialty, and allied products	ISO 9001, 14001, 45001
Atali	Atali Unit	Intermediates, CDMO (Phase 1 commissioned, ramping up)	ISO 9001, 14001, 45001

Translating Science into Scalable Solutions

Research is where our long-term competitiveness is built. It is how we transform scientific curiosity into practical, scalable solutions that create lasting value for customers. Our three R&D centres bridge the critical gap between laboratory chemistry and plant-scale production, the point at which most complex molecules succeed or fail. Built on decades of accumulated knowledge, an experienced scientific team, and advanced analytical capabilities, our R&D platform enables us to solve complex process challenges. This helps us develop robust, cost-effective processes, respond to evolving customer requirements, and optimise our manufacturing assets.

R&D that Delivers Impact

3
State-of-the-Art R&D Centres (Maharashtra and Gujarat)

29
Patents Granted

7.4%
R&D Spend as a Share of API, Intermediates, and CDMO Sales

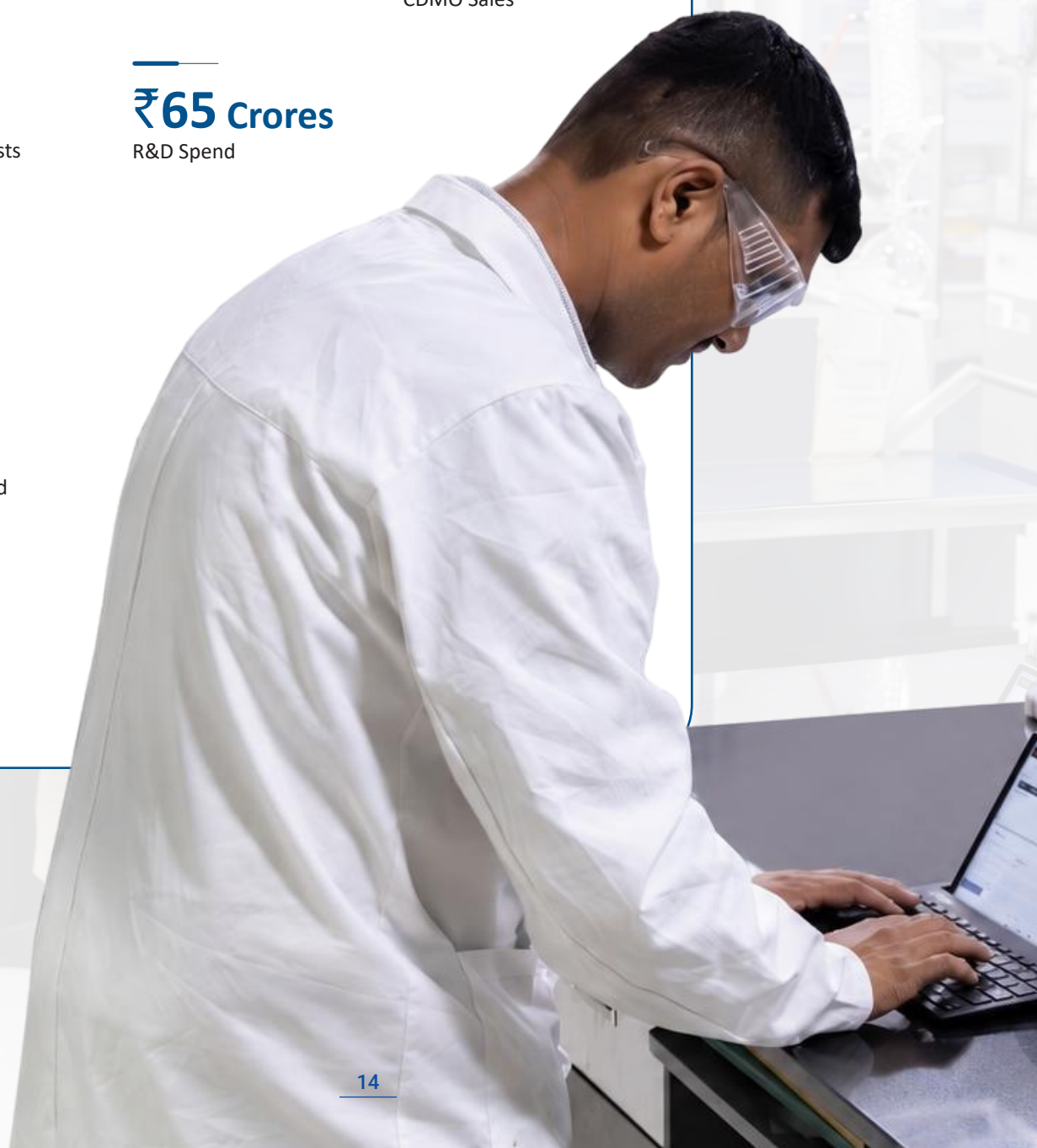
122
Process Scientists

₹65 Crores
R&D Spend

21
PhDs

61
APIs Commercialised

63
Patents Filed



R&D Focus Areas

- Route scouting and design
- New product development
- Process optimisation and scale-up
- Life-cycle technology management

The Expertise behind It

- Plant- and lab-scale expertise across varied chemistries
- Analytical capabilities with a sophisticated laboratory
- Synthesis and process-chemistry infrastructure
- Process-safety laboratories

BUSINESS SEGMENT REVIEW

Three Engines, One Chemistry.

Our business rests on three segments that draw on the same deep process chemistry. Yet each business serves a distinct market, addresses different customer needs, and operates on its own growth trajectory. Together, they give us stability today and momentum for tomorrow.

Xanthine Derivatives and Allied Products

Largest Indian manufacturer of Xanthine derivatives, including caffeine (largest capacity in India), theophylline anhydrous, aminophylline, etofylline and theophylline. A non-Chinese dependent and fully backward integrated producer, offering strong geographical diversification amid the China-plus-one shift.

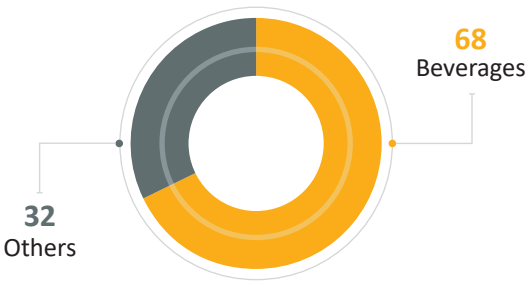
Key Strengths

- Two dedicated plants at Tarapur, Maharashtra, with a combined capacity of 6,000+ MTPA
- Capacity expansion underway to take total capacity to 9,000 MTPA, going live in phases starting in Q1 FY 2026-27
- Post-expansion, targeting a rise in global market share from 15-20% to 20-25%
- End-use across cola drinks, energy drinks, pharmaceuticals, and nutraceuticals

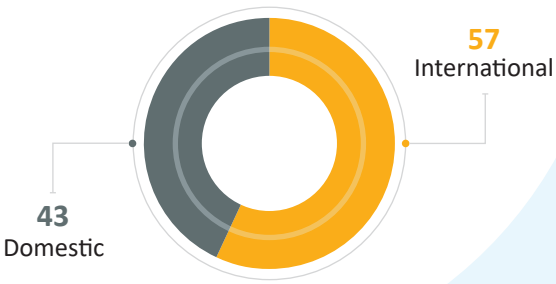
Performance FY 2025-26

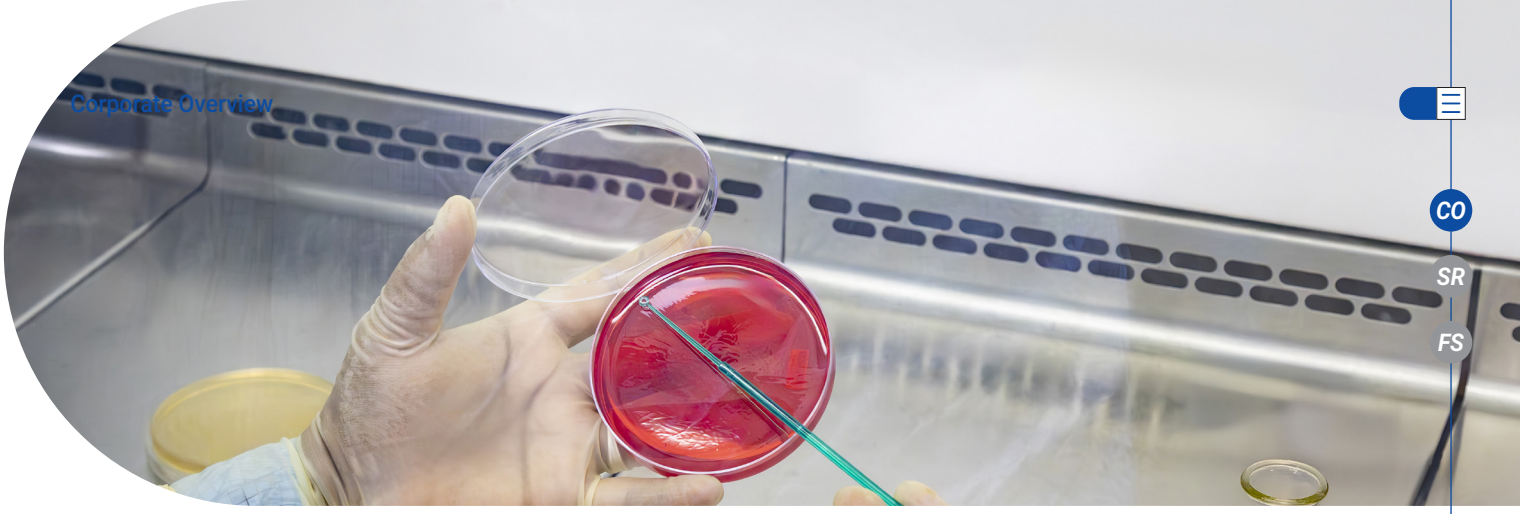
₹792 Crores
Revenue Contribution

Sales Quantity Split (%)



Geographical Sales Split (%)





API and Intermediates

Specialised player in the development and manufacturing of HPAPIs, catering to critical drugs used in oncology, corticosteroids and cytotoxic medicines. Backward integrated for most APIs, with control over the entire production value chain, ensuring high-quality intermediates.

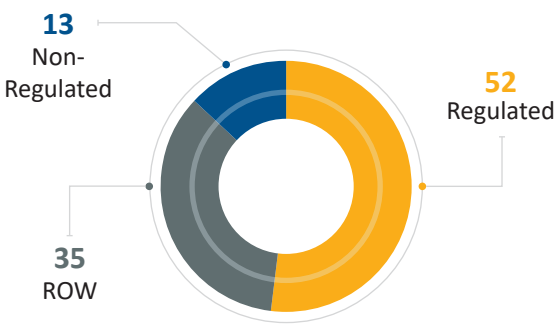
Key Strengths

- USFDA-approved facilities with dedicated US, EU, and Japan approvals offer distinct advantage over the competition
- Preferred partner in regulated markets, driven by robust regulatory documentation and IPR support
- 1,500 KL+ multipurpose reactor capacity (fungible) and 14 API finished lines
- Therapeutic breadth across cardiovascular, anti-asthmatic, anti-cancer, oncology, anti-diabetic, CNS, skin care, overactive bladder, calcimimetic, decongestant, anti-thalassaemic, and analgesic segments

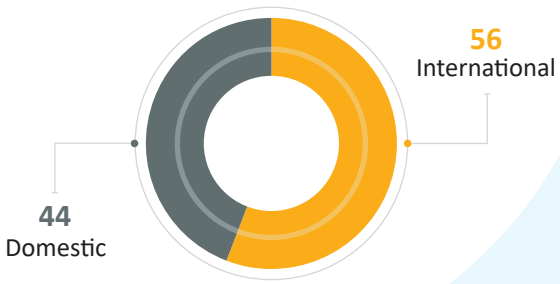
Performance FY 2025-26

₹600 Crores
Revenue Contribution

Market Segmentation (%)



Geographical Sales Split (%)



CDMO and CMO

As one of India's premier small-molecule CDMO and CMO partners, we deliver integrated development and manufacturing solutions to global pharmaceutical companies, innovators, and biotechnology firms. Our extensive process chemistry expertise and scalable manufacturing capabilities support the development of small-molecule NCEs across every stage – from Phase I clinical trials to commercial launch and sustained commercial production.

Key Strengths

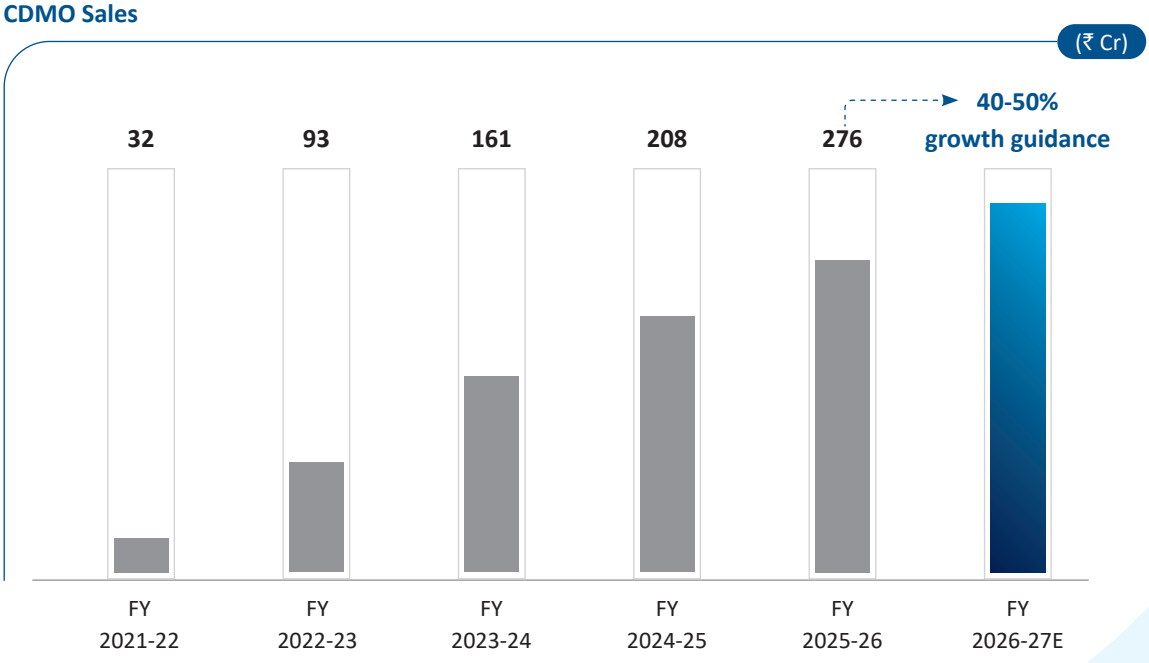
- Experienced in complex chemistries such as cyanation, flow chemistry, and nucleotides
- Supported by three R&D centres and pilot facilities focused on CDMO
- Expanding on-ground sales presence in the USA and EU to enhance our global footprint
- Services span end-to-end, from synthetic route design to commercial manufacturing; robust process development (DoE and QbD); process validation and analytical method development; and strong CMC documentation

Performance FY 2025-26

₹276 Crores

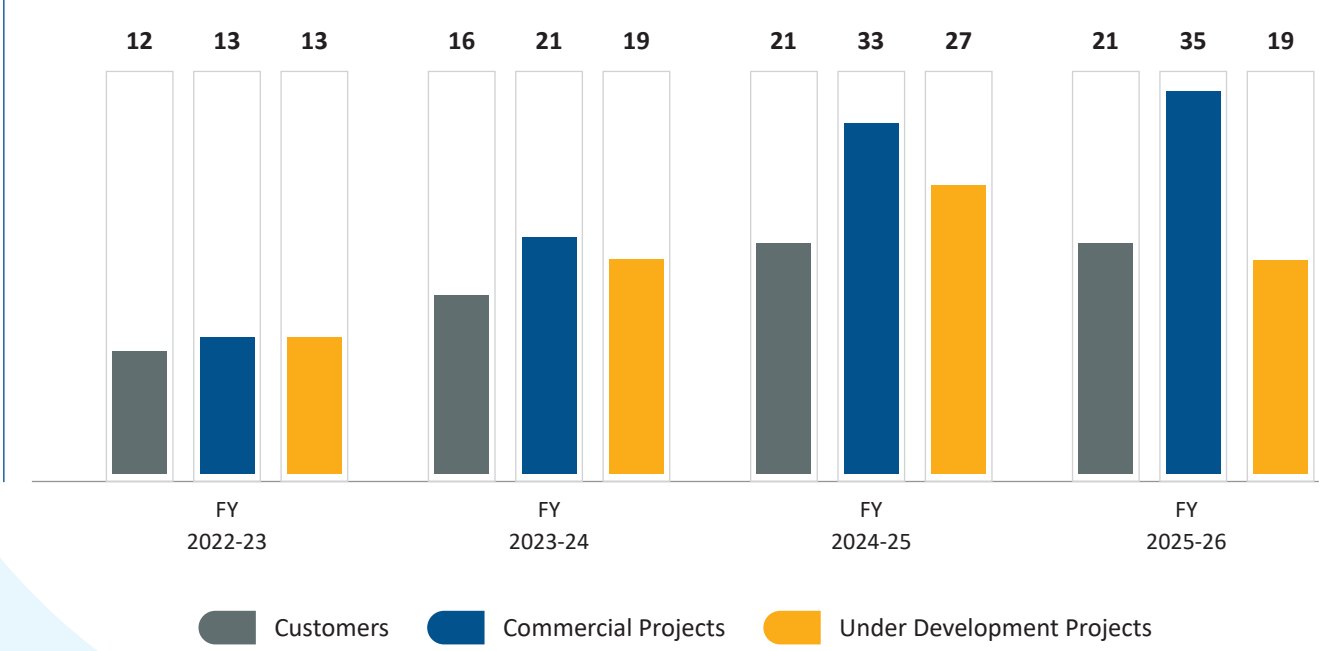
Revenue Contribution

CDMO Sales



E: Estimate

CDMO Customers and Projects



OPERATING ENVIRONMENT

Reading and Responding to Industry Shifts

The industries we serve: beverages, generic pharmaceuticals, and outsourced drug development are undergoing structural changes. Changing global supply chains, evolving regulatory requirements, cost pressures, and growing sustainability expectations define the new landscape. These trends favour manufacturers with differentiated capabilities and reliable supply chains, aligning perfectly with our expertise.

The pharmaceutical CDMO market alone is expected to reach close to US$ 235.5 billion by 2030, growing at a 7.2% CAGR between 2024 and 2030.

Growth in Outsourced Manufacturing

Drug developers are increasingly choosing to outsource development and manufacturing instead of building their own capacity. This is because outsourcing converts fixed manufacturing costs into variable ones and buys capability without direct capital investment. This trend is growing faster than most other parts of the pharmaceutical value chain. APAC, led by India and China, holds the largest share of that work[1].

[1] Neuland Labs, 'Global CDMO Market and Investment Drivers Through 2030' — https://www.neulandlabs.com/en/insights/stories/cdmo-market-outlook-2025-2030-trends-shaping-future-pharma-outsourcing

Scaling CDMO Capabilities

Our CDMO and CMO business has grown nearly ninefold in four years, from ₹32 Crores in FY 2021-22 to ₹276 Crores in FY 2025-26. This growth is built on late-phase and commercial-stage projects. We intend to maintain this pace by leveraging the Atali platform, dedicated project blocks, and a growing sales presence in the US and EU.

Sustained Demand for Xanthine Derivatives

Unlike much of pharmaceutical chemistry, demand for Xanthine derivatives, caffeine, theophylline and related compounds, grows on the back of everyday consumption in beverages, medicines and supplements rather than clinical breakthroughs. The global market is on track to grow from roughly US$ 1,593 million in 2025 to US$ 2,456 million by 2031, a steady 7.5% CAGR, in a field with only a handful of scaled global producers[2].

[2] LP Information, 'Global Xanthine Derivatives Market Growth 2025-2031' — https://www.lpinformationdata.com/reports/1292541/xanthine-derivatives

Expanding Xanthine Leadership

As the leading Indian manufacturer of Xanthine derivatives, we are recognised as one of the largest globally. Following the addition of our Tarapur Unit 5 block, our production capacity now exceeds 9,000 TPA. This expansion solidifies our position among the top three producers worldwide, as we actively work to increase our global market share from its current 15-20% up to 25%.

Supply Chain Diversification

Buyers across the pharmaceutical world are actively reducing their dependence on any single sourcing geography, having seen how quickly concentrated supply chains can break under regulatory change, pandemics or geopolitical strain. Diversification decisions increasingly weigh a supplier's independence and traceability alongside its price[3].

[3] Piramal Pharma Solutions, 'China Plus One Strategy: Building Resilient Pharma Supply Chains' — https://www.piramalpharmasolutions.com/resources/blogs/china-plus-one-resilient-supply-chains-pharma

Strengthening Supply Security

Our Xanthine business is fully backward integrated and does not depend on Chinese supply, a structural advantage as buyers place a premium on security over pure cost. We are extending the same backward integration into our API and CDMO operations for the same reason.

Rising Input Cost Volatility

Conflict in West Asia has disrupted shipping routes, increased freight costs and pushed petrochemical prices higher. During the year, some manufacturers absorbed raw-material cost increases of 20 to 30% on inputs such as solvents, methanol, ammonia, and propylene[4].

[4] Policy Circle, 'Bulk drugs push must fix India's API dependence' — https://www.policycircle.org/industry/bulk-drugs-india-api-dependence/

Managing Cost Exposure

We have passed through part of this cost increase in our Xanthine and CDMO segments. We are also investing in solvent recycling and backward integration to reduce exposure. Our API and intermediates business, tied to fixed-price, campaign-based orders, has the least leeway to pass costs on quickly.

Increasing Regulatory Expectations

Regulators worldwide continue to tighten expectations for data integrity, impurity testing, and manufacturing consistency. Some, including the USFDA, are fast-tracking reviews for domestically made generics. The signal is clear: where and how a product is made faces closer scrutiny than ever[5].

[5] Grand View Research, 'Active Pharmaceutical Ingredients Market Size Report, 2033' — https://www.grandviewresearch.com/industry-analysis/active-pharmaceutical-ingredients-market

Maintaining Regulatory Readiness

Our facilities carry accreditations from the USFDA, EU GMP, EDQM, KFDA, and COFEPRIS, backed by 60 US DMFs and 44 CEPs. We treat this depth of approval as a lasting competitive barrier, not a cost of doing business.

Sustainability as a Business Requirement

Carbon performance is increasingly shaping procurement decisions, not only sustainability reporting. Scope 3 emissions, the hardest category to control, comprise over 70% of a typical pharmaceutical company's footprint. Most of the industry has now set formal targets to bring them down[6].

[6] Supply & Demand Chain Executive, 'Greening the Pharma Cold Chain: The Decarbonization Challenge'— https://www.sdcexec.com/sustainability/carbon-footprint/article/22956312/neilmed-pharmaceuticals-usa-greening-the-pharma-cold-chain-the-decarbonization-challenge

Advancing Decarbonisation

We are the first Indian pharmaceutical company to have our emission-reduction targets approved by the Science Based Targets initiative. We hold an EcoVadis Gold rating in the global top 5%, and continue to expand solar power and solvent recycling across our sites.

CHAIRMAN'S MESSAGE

Investing in Tomorrow's Foundation

Enduring businesses are built by investing ahead of opportunity, not in reaction to it. They are built by strengthening capabilities and preparing for the future with discipline and conviction.

Dear Stakeholders,

When I look back on the journey of Aarti Pharmalabs, one truth stands out. Every step of our progress has been built on a steadfast commitment to quality, reliability, and enduring partnerships. Over the years, that commitment has carried us into more than 60 countries. It is supported by a diversified portfolio across APIs, intermediates, Xanthine derivatives, and CDMO services. Disciplined execution, a strong manufacturing base, and hard-earned customer trust have driven this growth. That same foundation guides our direction today, as we prepare with purpose for what lies ahead.

Against this backdrop, FY 2025-26 reaffirmed an important belief that has guided us from the beginning. Enduring businesses are built by investing ahead of opportunity, not in reaction to it. They are built by strengthening capabilities and preparing for the future with discipline and conviction.

True to this philosophy, the year was defined less by immediate financial outcomes and more by purposeful investment. While the full value of these investments will unfold over time, they have already laid a firmer foundation for sustainable growth and lasting value.

Even as we build for the future, we remain committed to creating value for all our stakeholders. For FY 2025-26, we have recommended a final dividend of ₹2.00 per equity share. This brings the total dividend for the year to ₹3.50 per equity share.

Alongside this, we continued to invest in the communities around us, across education, healthcare, environmental stewardship, and livelihoods. We remain convinced that lasting business success and responsible corporate citizenship advance together.

A Resilient Economy and an Expanding Opportunity

7.7%

India's Real GDP Growth

3.4%

Global Growth in 2025

While internal efforts strengthened our foundation, FY 2025-26 also highlighted the importance of navigating a volatile external environment. India's real GDP growth accelerated to 7.7%, supported by consumption, investment and net exports, while global growth remained steady through much of 2025 before geopolitical tensions in West Asia clouded the outlook. For petrochemical-dependent manufacturers, including us, this led to higher input costs towards year-end. These conditions reinforced the importance of resilient supply chains, disciplined capital allocation, operational efficiency, manufacturing excellence, quality systems and regulatory compliance.

India's Pharmaceutical Opportunity

20%

Share of Global Generic Medicine Supply

191 Countries

Served by Indian Pharmaceutical Exports

Building on this resilient base, India's pharmaceutical industry continued to strengthen its global standing. India remains the largest supplier of generic medicines globally, accounting for ~20% of global supply, and exporting to 191 countries.

Structural advantages underpin this performance: a skilled talent pool, expanding manufacturing capabilities, and a regulatory environment that global partners increasingly trust. Government initiatives reinforce it further. The Production Linked Incentive scheme and the proposed Biopharma SHAKTI initiative both encourage domestic manufacturing and strengthen the biopharmaceutical ecosystem.

At the same time, the industry is working towards greater self-reliance in APIs and key starting materials. Looking ahead, structural shifts in the global Pharmaceutical industry are creating new opportunities. Global Pharmaceutical companies are moving to asset-light models and outsourcing manufacturing, seeking integrated partners capable of supporting development through commercial manufacturing. These trends favour companies like ourselves that combine manufacturing excellence with scientific capability and lasting customer relationships.

Strengthening Our Platform for the Future

Within this evolving landscape, our priorities remain aligned with long-term value creation.

For more than two decades, one strength has set us apart: our ability to manufacture reliably at scale while maintaining the highest standards of compliance. During the year, we deliberately continued to invest in capacity and capability ahead of demand, knowing that these investments would impact near-term profitability.

The commissioning of our Atali greenfield facility marks a defining milestone. It enhances our manufacturing capabilities, improves operational flexibility, and adds capacity for future customer needs.

The CDMO business delivered strong growth as more customers chose integrated partners capable of supporting development, scale-up, and commercial manufacturing.

Our API and intermediates business continues to benefit from end-to-end integration, allowing us to offer a one-stop solution across RSM, KSM, GMP intermediates and APIs. This integrated model, free of dependence on China, gives our global customers the supply security they value.

In our Xanthine derivatives business, we progressed the capacity expansion from 5,000 MTPA towards 9,000 MTPA, with commissioning targeted for June 2026 and a phased ramp-up thereafter. This expansion is our path to a larger global share, and to a place among the top players worldwide.

We have also initiated investments in emerging modalities such as peptides and oligonucleotides. These expand our technology platform and position the Company for tomorrow's growth segments.

Our objective remains clear. We are building an organisation recognised for scientific capability, manufacturing excellence, operational discipline, and an unwavering commitment to quality.

Growing Responsibly

EcoVadis Gold
Rating

21 MW
Captive Solar Power Project

SBTi Approved
Emission Reduction Targets

As we expand our capabilities and scale our operations, responsible growth remains central to our long-term strategy. Sustainability shapes the way we invest, manufacture, and create value, while the focus on improving resource efficiency and reducing environmental impact remains steady.

These efforts are reflected in our continued EcoVadis Gold Rating and our Science Based Targets initiative-approved emission reduction targets, underscoring our commitment to responsible manufacturing and continuous improvement.

Building with Confidence

The progress made during the year has strengthened Aarti Pharmalabs' foundation, broadened its manufacturing platform and enhanced its capabilities to address evolving industry needs. Looking ahead, the Company will remain focused on quality, innovation, disciplined execution and responsible growth, while investing prudently and strengthening long-term customer relationships. We thank all our stakeholders for their continued trust and support as we work towards creating sustainable long-term value.

Warm regards,

Rashesh Gogri
Chairman

MANAGING DIRECTORS' MESSAGE

Executing with Discipline for Enduring Growth

Our focus remains on disciplined execution, strengthening our manufacturing platform, and building a business that can support the evolving needs of the global pharmaceutical industry.

Dear Stakeholders,

This past year asked one thing of us above all: disciplined execution across every part of our business. We entered the year with clear priorities: bring our ongoing expansion projects into operation, strengthen manufacturing readiness, and improve operational efficiency. Above all, continue building a business that can support the evolving needs of the global pharmaceutical industry.

Delivering Performance

₹1,798 Crores
Standalone Revenue

₹406 Crores
EBITDA

₹176 Crores
Profit After Tax

Our standalone revenue remained broadly stable in FY 2025-26 at ₹1,798 Crores. Profitability, however, moderated during the year. The business absorbed the higher operating costs of commissioning new capacities, pricing pressure in select API products, and inflation in certain raw material categories.

The year also proved the resilience of our diversified business model. Strong performances from the CDMO and Xanthine derivatives businesses helped offset the softer performance in APIs and intermediates. That balance enabled us to maintain stability while we kept investing for future growth.

Operational momentum built as the year progressed. The fourth quarter recorded the highest-ever quarterly revenue for both our CDMO and Xanthine derivatives businesses. This performance reflected sharper execution, better use of manufacturing assets, and stronger customer deliveries.

FY 2025-26 was not our strongest year financially. It was, however, the year that strengthened the platform from which we now intend to grow.

Executing One of Our Largest Expansion Programmes

~₹400 Crores
Capex Executed

7
Manufacturing Facilities

The commissioning of Phase 1 of our Atali greenfield facility marks a defining milestone in our manufacturing journey. Transitioning a project of this scale from construction to commercial production is a considerable undertaking. It demanded close coordination across engineering, manufacturing, quality, regulatory and customer-facing teams. Through the year, the facility advanced through mechanical completion to customer qualification and commercial operations. It now adds capacity to our expanding CDMO and intermediates businesses.

We expect the Atali plant to play an increasingly important role in our manufacturing network by improving operational flexibility, strengthening backward integration, and supporting future customer programmes. We have also designed it with scalability in mind, ready to expand as customer demand grows.

Alongside the Atali plant, we progressed the expansion of our Xanthine derivatives capacity. The Tarapur Unit 5 block was scheduled for commissioning in June 2026, followed by a phased ramp-up from 5,000 MTPA to 9,000 MTPA.

These investments represent much more than additional capacity. They enhance our ability to execute complex manufacturing programmes, improve supply reliability, and build greater flexibility across our manufacturing operations.

Growth across the Portfolio

CDMO: Converting Opportunities into Growth

The CDMO business remained our strongest growth engine through FY 2025-26.

Revenue grew by 32% over the previous year and the FY 2025-26 fourth quarter set a new quarterly record.

Through the year, we worked with 21 customers across 54 active projects, including 35 commercial-stage programmes. We also continued assessing dedicated manufacturing infrastructure for large-scale customer opportunities, reflecting our conviction in the business's long-term prospects.

API and Intermediates: Strengthening the Core

The API and intermediates business witnessed a challenging year. Pricing corrections, customer inventory adjustments, and raw material inflation weighed on profitability across certain products.

While these factors impacted short-term performance, they have not altered the strategic importance of this business. Our integrated manufacturing capabilities continue to differentiate us by offering customers solutions spanning regulatory starting materials, key starting materials, GMP intermediates, and APIs.

Operationally, we worked to improve manufacturing efficiency through debottlenecking and product mix optimisation. We also prepared for additional steroid and oncology-related capacity that will support future product launches.

Xanthine Derivatives: Expanding Leadership

Our Xanthine derivatives business remained steady, despite pricing pressure in certain markets.

Demand remained healthy and the business recorded its highest-ever quarterly revenue during the fourth quarter. Capacity expansion remained a major focus throughout the year.

It underpins our long-term ambition: a stronger presence in regulated, higher-value markets while reinforcing our global market position.

Strengthening Innovation and Technical Capabilities

Innovation Highlights

63

Patents Filed

60

US DMFs

Innovation remains central to the way we build our business.

Through the year, we continued investing in research, process development, and regulatory capabilities.

Our patent portfolio grew to 63 filings, while our US Drug Master File portfolio continued to grow. Together, they strengthen our ability to serve customers across regulated markets.

We also widened our commercial presence in Europe and North America. This enables closer engagement with global pharmaceutical companies and helps expand our pipeline of development opportunities.

As part of our long-term technology roadmap, we initiated investments in TIDES, covering peptides and oligonucleotides. While these capabilities are still in an early stage of development, they represent a natural extension of our scientific expertise. They also position us to participate in emerging areas of pharmaceutical manufacturing over the long term.

Financial Discipline

Even while we executed one of the largest investment programmes in our history, financial discipline remained a key priority.

We invested approximately ₹400 Crores during the year towards capacity expansion and manufacturing infrastructure. Our balance sheet continues to remain healthy, with a net debt-to-equity ratio of 0.32x as of 31st March, 2026. We also retained our AA- credit rating, providing the financial flexibility to continue investing in growth while maintaining a prudent capital structure.

Priorities for FY 2026-27

We move into the new financial year with clear priorities.

Our immediate focus is threefold. Raise utilisation at Atali, complete the commissioning and phased ramp-up of the Xanthine expansion from 5,000 MTPA to 9,000 MTPA and improve the operating performance of the API business through product mix optimisation and additional capacity. Beyond this, we also aim to expand our CDMO portfolio, commercialise more late-stage molecules, and advance our capability development.

The investments undertaken over the past several years have considerably strengthened our manufacturing platform. Our priority now is to convert them into higher utilisation, better operating leverage, and sustainable earnings growth. We will do so while continuing to serve our customers with the quality, reliability, and responsiveness they expect from Aarti Pharmalabs.

I am deeply grateful to our employees. Their dedication and professionalism enabled the execution of multiple strategic initiatives during the year. I thank our customers for their continued confidence, our partners for their collaboration, and our shareholders for their steadfast support.

Best regards,

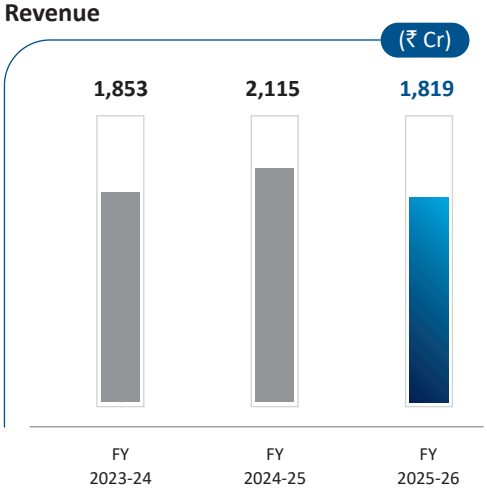
Hetal Gogri Gala
Vice Chairperson and
Managing Director

Narendra J. Salvi
Managing Director

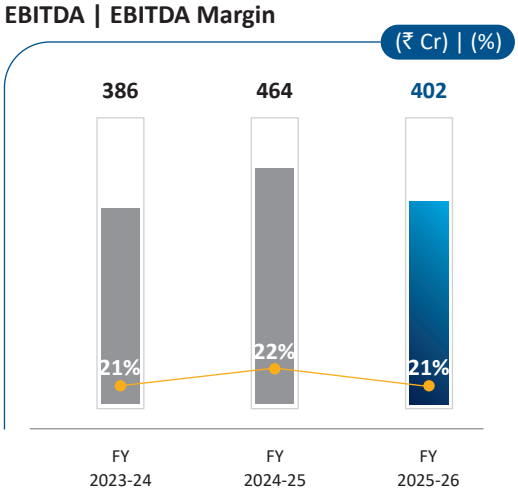
PERFORMANCE HIGHLIGHTS

Creating Enduring Value

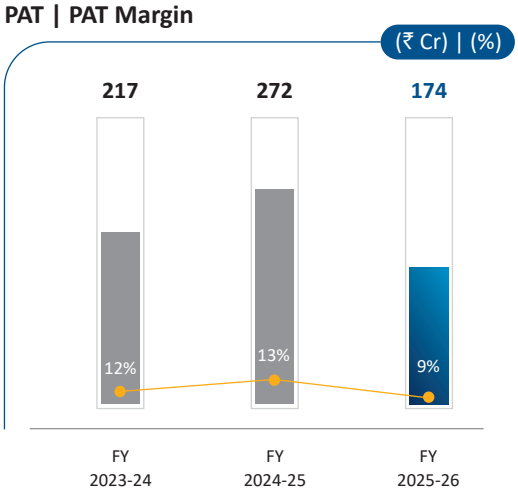
Revenue



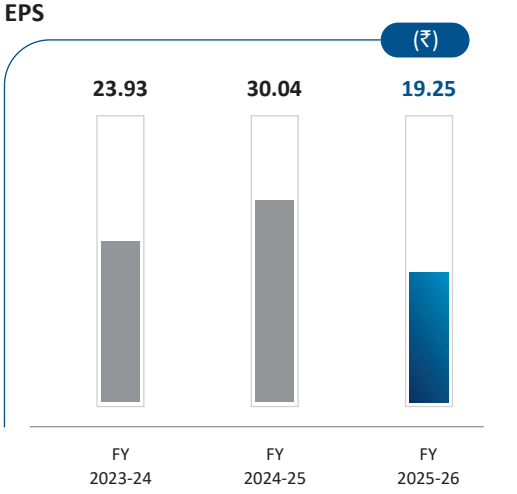
EBITDA | EBITDA Margin



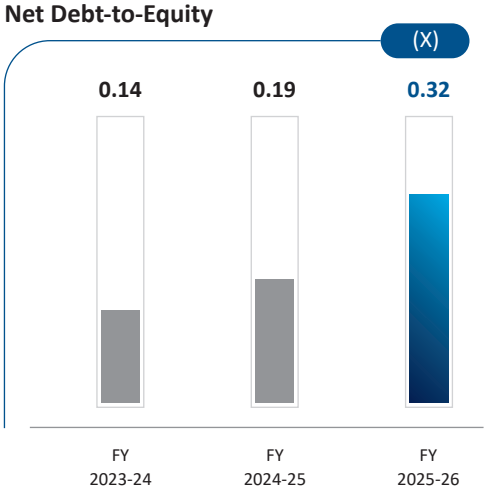
PAT | PAT Margin



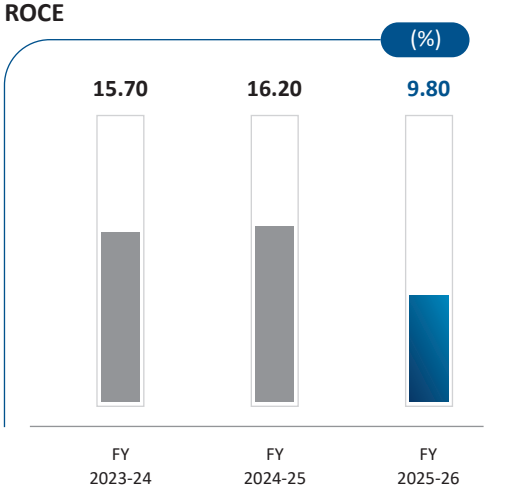
EPS



Net Debt-to-Equity

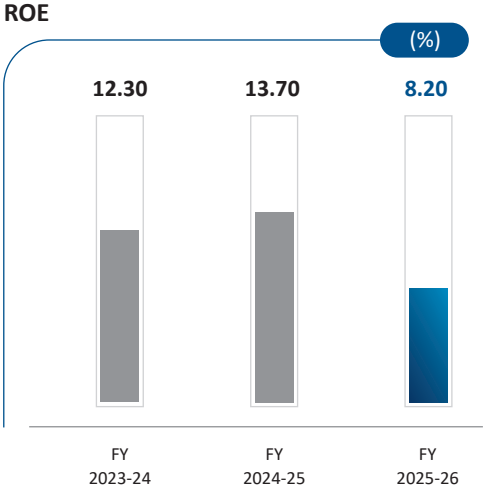


ROCE

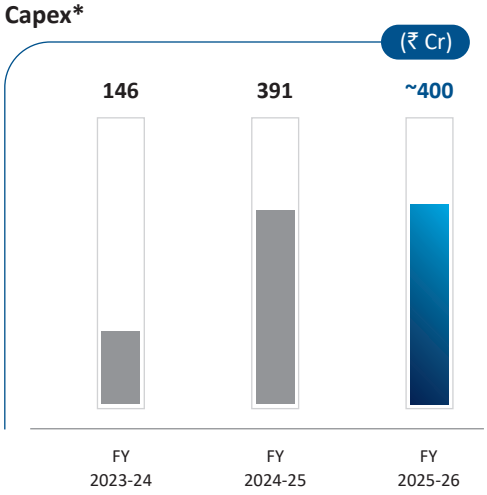


Note: Financials presented are on a consolidated basis.

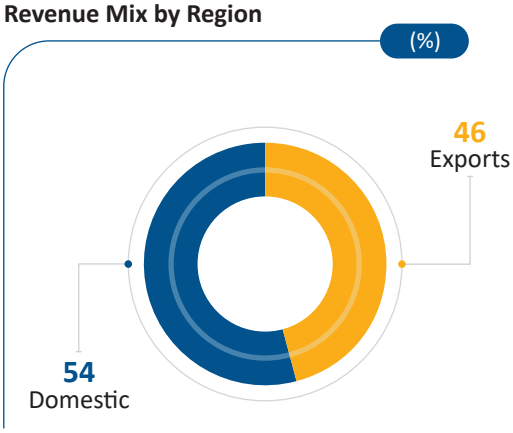
ROE



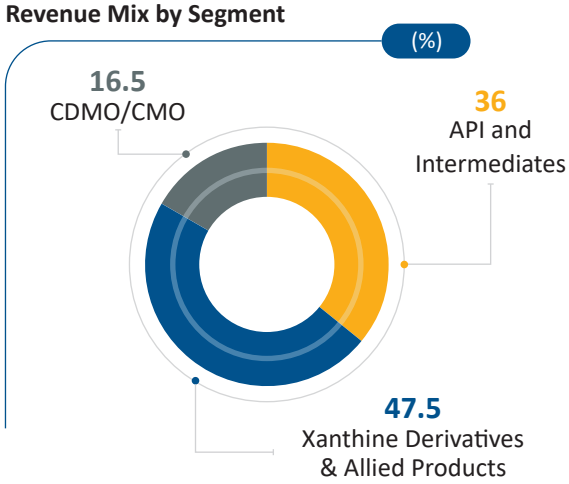
Capex*



Revenue Mix by Region



Revenue Mix by Segment



* Does not include intangible assets.

INVESTING FOR FUTURE GROWTH

Building for What Comes Next

Our FY 2025-26 capital programme pursued two clear objectives. The first was expanding our Xanthine derivatives capacity to strengthen an existing position of leadership. The second was to establish a new platform to grow our CDMO and intermediates businesses. Together, these initiatives are creating a stronger platform for sustained growth.

Atali Greenfield Project, Gujarat

We built our greenfield facility at Atali to provide dedicated capacity for our CDMO and CMO business and to extend backward integration into intermediates.

Beyond today's needs, Atali carries substantial headroom for future expansion, and deepens our intermediates capacity as it grows.

Estimated investment:
₹400 Crores

Product focus:
Intermediates and CDMO/CMO

Capacity:
~450 KL (Block 1)

Timeline:
~80% of capacity operational by Q4 FY 2025-26, fully operational by Q2 FY 2026-27

Land available:
80 acres

Future potential:
Scalable to 8-10 times Block 1 capacity

Tarapur Brownfield Expansion, Maharashtra

During FY 2025-26, we progressed the brownfield expansion at Tarapur to increase capacity within our existing Xanthine derivatives operations.

Long-standing customer relationships anchor beverage sales in this segment, giving us a consistent revenue base. The additional capacity is intended to increase our share of wallet with existing beverage customers. It also allows us to grow the proportion of pharmaceutical-grade Xanthine derivatives in our product mix, supporting margin improvement.

Estimated investment:
₹210 Crores

Product focus:
Xanthine derivatives

Proposed capacity:
9,000 MTPA (from 5,000 MTPA)

Timeline:
Inaugurated in June 2026

Future Outlook

Capital expenditure for FY 2025-26 amounted to approximately ₹400 Crores. We expect a similar level in FY 2026-27.

- **Medium-term target:** 15-18% revenue and EBITDA CAGR over the next 3-4 years (standalone basis) from FY 2025-26
- **FY 2026-27 capex outlook:** Broadly in line with FY 2025-26
- Dedicated block 2 at Atali planned for specific CDMO projects, with ground-breaking planned in Q3 FY 2026-27 and at a targeted completion within 12-15 months
- R&D investment initiated in TIDES, including peptides and oligonucleotides, to expand long-term portfolio capabilities

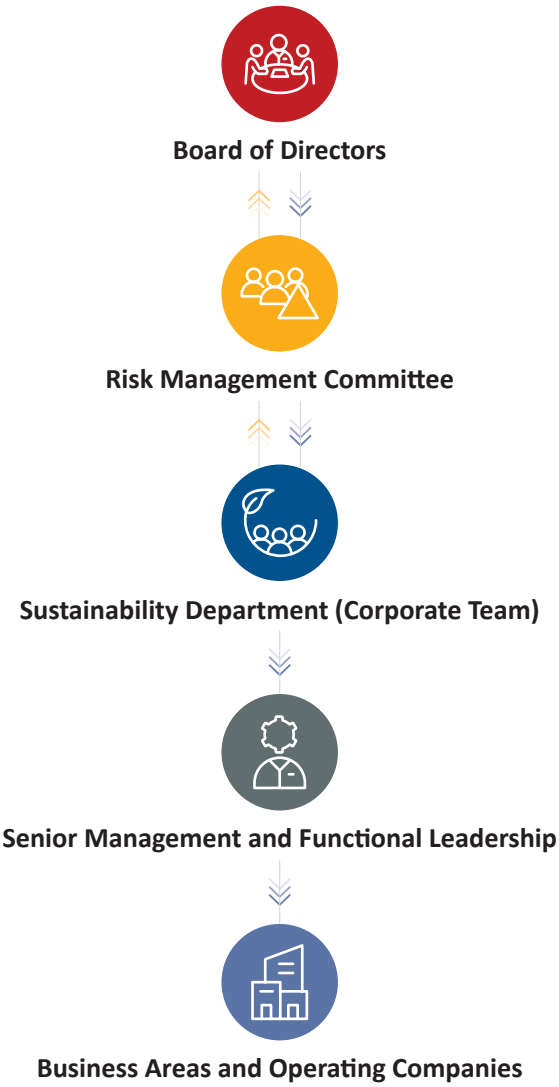
INTEGRATED APPROACH TO ESG

Sustainability by Design

At Aarti Pharmalabs, sustainability is a structured discipline, not a standalone function. Environmental, social, and governance considerations are embedded from Board-level oversight through to daily operations across our sites. This aims to support long-term value creation and organisational resilience, and to ensure that ESG considerations inform our strategic decisions at every level.

Governance and Oversight Structure

Our sustainability governance framework defines responsibilities across the Board, a dedicated Sustainability Department, and functional leadership teams. This supports coordinated action, alignment with international benchmarks, and the integration of ESG objectives into our operational and strategic planning.



The Sustainability Department

The Sustainability Department leads our ESG initiatives on the Board's behalf. It works with other Board Committees and business functions to identify risks and opportunities, shape mitigation strategies, and drive implementation.

Its focus areas span safety, environmental impact, climate-related risk, and ethical supply chain practices. Alongside, it tracks sustainability performance and conducts periodic reviews for improvement.

Engaging Stakeholders and Identifying Material Topics

We engage our stakeholders in a structured manner, through surveys, consultations, disclosures, and partnerships. This helps us capture emerging concerns and inform strategic planning and operational improvement. Read more on page 139.

Material topics, those most significant to our stakeholders and to our long-term performance, are identified and reviewed through a structured assessment process. Each is linked to specific performance metrics, risk controls, and improvement initiatives, supporting value creation across financial, environmental, and social aspects.

Working with Global Standards and Partners

We participate in international frameworks and industry partnerships. This helps us strengthen our sustainability practices and address shared ESG challenges, and keep us aligned with evolving global standards.

United Nations Global Compact

Human rights, labour standards, environmental protection, and anti-corruption

Science Based Targets initiative (SBTi)

Validation of our greenhouse gas emission reduction targets

Pharmaceutical Supply Chain Initiative (PSCI)

ESG audits and supplier development programmes

Carbon Disclosure Project [CDP]

Commitment to transparency in climate and water risk management

Our Emission Reduction Targets

We have set measurable near- and long-term targets for our material ESG topics. These include a long-term commitment to net-zero emissions, aligned with global climate action frameworks and validated under the Science Based Targets initiative.

Net-zero target:

Achieve net-zero greenhouse gas emissions across the value chain by FY 2049-50.

Near-term targets

(by FY 2029-30, baseline FY 2023-24)

Scope 1 and 2

Reduce absolute GHG emissions by **37.8%**

Scope 3

Reduce absolute GHG emissions by **22.5%**

Net zero targets

(by FY 2049-50, baseline FY 2023-24)

Scope 1 and 2

Reduce absolute GHG emissions by **90%**

Scope 3

Reduce absolute GHG emissions by **90%**

External Recognition

Our sustainability performance continues to be independently assessed by external rating agencies.

EcoVadis

Gold	96th	77/100
Rating	Percentile Global Ranking	Score

CDP

B-	B-
For Climate Change	For Water Security

ENVIRONMENT

Reducing Our Environmental Footprint

We treat protecting the environment as core to how we operate, not an add-on. What is at stake, for the planet and for the generations that follow, demands nothing less. Our approach is grounded in science and applied across three areas: green chemistry, circularity, and product stewardship. Each aims to lower our environmental footprint and use resources more efficiently, in line with our long-term vision.

Minimising Impact across Operations

We increasingly build green-chemistry principles and sustainable manufacturing practices into our operations, reducing their environmental impact at the source.

Reducing and Recovering Waste

Process optimisation, recycling, and the recovery of solvents and other reusable materials sit at the centre of our waste reduction efforts. A structured roadmap guides ongoing reductions in waste generation. This is supported by upgraded waste management systems and continuous process improvements across all our sites. Various pilot studies have been conducted to reduce waste and improve recovery. These initiatives include the evaluation of waste management vendors and the testing of advanced technologies, such as screw dryers. The results and feasibility of these efforts will be assessed in the coming years.

Improving Energy Efficiency

Energy-efficient technologies now feature across our operations, alongside a growing share of renewable energy. Highly efficient motors and drives, with smart IoT-based interlocks, help cut energy losses and increase overall process efficiency.

Water Stewardship

Reducing water use and preventing pollution remain ongoing priorities, and our operations meet the most stringent regulatory standards. We continue to sensitise employees and upgrade processes to reduce water consumption. Zero Liquid Discharge systems are installed across all manufacturing facilities, so water is recycled and reused within our processes instead of being discharged. Demonstrating our firm commitment to circular water management, recycled water accounted for 82.11% of our total consumption. We continuously enhance our water stewardship by integrating sophisticated treatment technologies, including Reverse Osmosis (RO) units, Multiple Effect Evaporators (MEEs), Mechanical Vapour Recompression (MVR), and Agitated Thin Film Dryers (ATFD). These high-efficiency systems enable significant water reclamation and minimise waste output. Furthermore, a strict Zero Liquid Discharge (ZLD) protocol is enforced across all production facilities, including our newly commissioned greenfield project at Atali. We are committed to maintaining this standard, proactively expanding our ZLD infrastructure in alignment with all ongoing brownfield and capacity expansion initiatives. Refer BRSR Principle 6 for values on pg no. 145.

Lowering Our Emissions Intensity

Reducing operational emissions is an important aspect that helps us meet our climate responsibilities. We pursue it through the measures below.

Understanding Our Product Footprint

Product sustainability is a specific area of focus, supported by lifecycle assessments of key offerings. These assessments surface the stages of a product's lifecycle where emissions run highest. These insights help shape strategies that lower the carbon intensity of our manufacturing. Building on our commitment to product stewardship, we expanded our product footprint evaluations from two products in the previous year to 18 products this year, prioritising those with the highest contribution to our revenue. The insights gained from these assessments have informed a structured set of actionable initiatives designed to further reduce our carbon footprint, thereby strengthening both our supply chain resilience and our overall sustainability performance.

Transitioning to Renewable Energy

Investment in renewable energy across operations continues as a direct lever on our carbon footprint. Our 21 MWp solar power plant at Akola, commissioned in FY 2024-25, supplies renewable electricity to our Maharashtra manufacturing cluster. Together, these projects are expected to meet more than half of our total electricity requirement and to carry significant weight in our decarbonisation strategy. We have made significant strides in our energy transition, increasing the share of renewable electricity in our total consumption to 32%, up from 10% in the previous year. As part of this expansion, we have integrated solar power at our Dombivli facility, which is expected to reach its full renewable energy contribution targets once it completes its first full fiscal year of operation of withdrawal of solar electricity. Furthermore, we have successfully transitioned our one Tarapur unit to biomass-based fuel, further diversifying our energy mix and accelerating our progress towards our sustainability goals.

Sustainability through Research and Development

Our R&D function serves as a strategic lever for long-term sustainability, with continued investment in cleaner, more efficient manufacturing technologies with a lower environmental impact. By developing sustainable process alternatives using greener solvents, advanced catalysts and optimised reaction pathways, our R&D teams are focused on reducing chemical waste and emissions across our operations. These efforts have resulted in tangible improvements across our commercialised portfolio, including significant reductions in Process Mass Intensity (PMI).

We have realised these gains by streamlining complex reactions, including reducing the manufacturing process of a complex active pharmaceutical ingredient (API) from multiple steps to just a few, thereby improving yields and reducing batch cycle times. Process innovations, including in situ reactions for a high-volume product, substantial reductions in solvent volumes for a key intermediate and the recycling of mother liquor for a major commercialised API, have enabled us to increase output and batch sizes while lowering raw material consumption and toxicity. We also commercialised an advanced intermediate by transitioning from traditional resolution methods to asymmetric synthesis, reducing a four-step process to two and significantly minimising chemical waste.

Sourcing Raw Materials Responsibly

The sustainability profile of our products takes shape well before manufacturing begins. It begins with how raw materials are extracted, processed, and transported to us. We deliberately choose suppliers who meet environmental standards, support biodiversity conservation, and embrace circular economy practices. We then hold these relationships to account through regular supplier assessments, audits, and alignment with our green procurement policies.

We are also exploring where bio-based and renewable feedstocks can be used without compromising product quality or safety. The aim is to displace higher-impact synthetic inputs, part of our broader commitment to environmental stewardship and sustainable innovation.

SOCIAL: EMPLOYEES

Powered by Our People

The technical demands of our business, in a competitive landscape, place our people at the centre of our success. Their skill and engagement drive innovation, keep operations running efficiently, and carry our growth forward. Their welfare and development are not side initiatives for us, but the foundation of a safe, inclusive, and productive workplace.

Developing Skills for the Future

Career growth depends on steady investment in training and development. This is why we have built a structured programme to raise average training hours per employee, across both technical skills and behavioural competencies. That same commitment extends to how the training is delivered: we have been digitising our learning and development platforms to ensure that skill-building reaches further across the workforce. A fully digitised learning platform, now under development, will bring every training module to one place, keeping learning continuous.

Keeping Our People Safe

Safety at our facilities is measured against a single standard: zero incidents. Comprehensive protocols support that standard by minimising occupational hazards and keeping the working environment secure, while a shift away from open handling of hazardous substances towards advanced powder handling technology has driven a real reduction in workplace incidents and lifted on-site safety performance more broadly. Regular meetings, awareness sessions, and training keep that safety culture reinforced and prevent incidents from recurring.

Building a Diverse, Inclusive Workplace

Respect and equal opportunity are the standards we hold our workplace to for every employee. Encouraging more women into roles across the business, and into leadership specifically, has meant building the policies that make that possible: Prevention of Sexual Harassment (POSH) safeguards, maternity provisions, flexible working hours, and genuine support in balancing work against personal life. The result has been a rise in women's representation to 7.67% in FY 2025-26.

Upholding Labour Standards and Well-being

Dignity, equity, and legal compliance are the three principles our human rights and labour practices are built on across every operation, and together they are what keep our working environment safe, respectful and inclusive. Adherence to these principles is not left to intention alone; a Works Council and a robust grievance redressal mechanism give employees a real channel to hold us to them. The same discipline runs through our HR policies, which are shaped by national labour law and international labour conventions and cover fair wages, non-discrimination, safe working conditions and freedom of association.

SOCIAL: SUPPLIERS

Applying Our Standards across the Supply Chain

A global, often complex raw material supply chain comes with operating in pharmaceuticals, an industry built on regulatory-compliant products. We do not treat that complexity as a risk to manage reactively. Instead, our policies and processes hold every part of the chain to the same high ethical, social, and environmental standards. Those standards, in turn, are what make the chain efficient and resilient.

Assessing and Developing Our Suppliers

We are building towards transparency, accountability, and consistent ethical standards across every supplier relationship. A comprehensive, sustainable supplier programme is how we get there. At the centre of that programme is a now-institutionalised practice of supplier assessment, evaluating compliance with labour rights, human rights, environmental performance, and ethical business conduct before and during a supplier relationship. During the year, 57.76% of suppliers were assessed.

Fair Trade Partnerships

Our fair-trade arrangements with key raw-material suppliers have a clear intent. They respect the livelihoods of the producers we depend on and support their communities. These arrangements extend our ethical commitments beyond compliance and into the relationships themselves. They make responsible sourcing a cornerstone of our wider sustainability strategy.

SOCIAL: COMMUNITIES

Investing in the Communities Around Us

Our social responsibility extends the values that guide our business – care, integrity, and excellence – to the communities in which we operate. Our CSR programme addresses genuine, pressing community needs across education, healthcare, tribal welfare, livelihoods, and the environment. We deliver through a network of established implementation partners.

FY 2025-26 at a Glance

₹565.20 Lakhs
Total CSR Spend

₹563 Lakhs
CSR Obligation (2% of Average PBT Over Three Years)

9
Focus Categories

20+
Execution and Strategic Partners

20,000+
Lives Touched

Allocation and Impact by Category

Livestock Development

₹25 Lakhs
Amount Spent

Animal Welfare

4.4%

Tribal Welfare

₹60 Lakhs
Amount Spent

5,00,000+
People

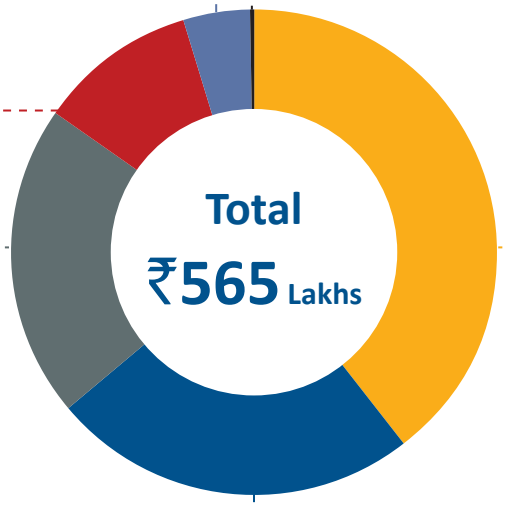
10.6%

Healthcare Facilities

₹1 Lakhs
Amount Spent

3,000
Beneficiaries

0.2%



20.7%

Others (Blind Welfare, Livelihood and Senior Citizen Welfare, Housing Aid)

₹117 Lakhs
Amount Spent

Various Communities

39.7%

Healthcare Facilities

₹224 Lakhs
Amount Spent

13,037+
Patients

24.4%

Education and Skill Development

₹138 Lakhs
Amount Spent

1,797+
Students and Children

Education and Skill Development

Education, a central pillar of our CSR approach, focuses on building long-term social and economic empowerment. During the year, we supported seven partner organisations across infrastructure, scholarships, and vocational training. Together, these initiatives reached over 1,797 students and children.

Partner	Location	Spend (₹ Lakhs)	Status	Beneficiaries
Vicharta Samuday Samarthan Manch (VSSM)	Pansar, Gandhinagar	49	Ongoing	**500+** Children
V-Excel Educational Trust	Nashik	35	New	Special needs learners
Bhansali Trust - Schools	Gaya, Bihar	20	Ongoing	**714** Students **20** Teachers
Sushil Trust	Ratanpar, Kutch	~11	Ongoing	**279** Students
Shri KVO Jain Mahajan	Mumbai	6	New	**4** Students
Rotary Seva Trust Kalyan	Bhiwandi	5	New	School infrastructure
Banwasi Seva Ashram	Govindpur, UP	12	–	**592** Students
Total	–	**138**	–	**1,797+** Students and children

Case study

Vallabh Vidya Vihar Campus

We continued our support for the Vallabh Vidya Vihar Campus. This is an 18-acre residential education and vocational training facility developed by our partner Vicharta Samuday Samarthan Manch in Pansar, Gandhinagar. Since Phase 1 became operational in June 2024, the campus has grown to accommodate 500 children, and is progressing to a planned capacity of 1,000. Purpose-built infrastructure, including residential hostels, a community kitchen, solar power systems, wastewater management, and round-the-clock security provides a safe and nurturing environment for learning. More importantly, the campus offers children from itinerant and nomadic communities something many have never had – a stable home and uninterrupted access to education.

500+
Children Housed

1,000
Capacity

₹49 Lakhs
Amount Spent

Bhansali Trust, Gaya, Bihar

Bhansali Trust manages three schools across villages in Gaya district, Bihar, supporting access to school education for children in the region.

Vallabh Vidya Mandir, established in April 2022 in Rasalpur Mahugain village, provides education up to Grade 6. The school currently serves 289 students, supported by 8 teachers and 2 other staff members.

Dhan Vallabh Vidhyalaya, established in June 2023 in Argan village, provides education up to Grade 5. The school has 252 students, supported by 7 teachers and 2 other staff members.

Ramdev School, established in February 2024 in Noudiha Sultanpur village, provides education up to Grade 4. The school serves 173 students, supported by 5 teachers and 2 other staff members.

3
Schools

714
Students

20
Teachers

6
Other Staff Members

Healthcare Facilities

Our healthcare initiatives aim to improve the quality, accessibility, and affordability of medical services, particularly for underserved communities. During the year, we supported four partner institutions, reaching over 13,037 patients.

Partner	Location	Spend (₹ Lakhs)	Status	Beneficiaries
Tirthankar Mahavir Jain Hospital	Nalanda, Bihar	151	Ongoing	**12,992** Patients
Powai Medical Centre (Shanti Nath Trust)	Powai, Mumbai	45	New	**100+** Patients daily
Shree Dombivli Manav Kalyan Kendra	Dombivli	15	New	Middle- and low-income patients
Shri KVO Jain Mahajan – Medical	Mumbai	13	New	**45** People
Total	–	**224**	–	**13,037+** Patients

Case study

Tirthankar Mahavir Jain Hospital

Our most significant healthcare initiative this year was our support to the Tirthankar Mahavir Jain Hospital in Nalanda, Bihar. The 300-bed facility, spread across 85,478 sq. ft., commenced operations on May 28, 2025. Equipped with modern diagnostic imaging, laboratory facilities, and telemedicine capability, the hospital has introduced quality, affordable healthcare for a community that previously had limited to no access. In less than a year of operation, it had already treated nearly 13,000 patients across outpatient and inpatient care, reflecting both the scale of local healthcare needs and the impact of this initiative.

300
Beds

12,992
Patients Treated

₹151.00 Lakhs
Spent

Powai Medical Centre Trust

Powai Medical Centre Trust provides affordable and accessible healthcare services to economically weaker communities in and around Powai. The centre serves residents within a 10-km radius, including Kanjurmarg, Chandivali and Vikhroli, offering essential diagnostic and treatment services at subsidised rates.

Infrastructure development

The project includes structural completion, plumbing and electrical works, HVAC and lift installation, firefighting systems and finishing works, strengthening the centre's capacity to serve a larger number of patients.

Key services and impact

- Pathology, sonography, dentistry, physiotherapy and day-care treatments
- Currently serves 100+ patients daily
- Aims to expand capacity to 200+ patients daily, or around 72,000 patients annually
- Offers significant cost savings, including approximately 60% on dental services and 50% on radiology services compared with corporate hospitals

Welfare Initiatives for Tribal People and the Visually Impaired

We undertake targeted initiatives to support tribal communities and persons with visual impairment, especially in rural and remote regions. Combined spend across these two areas reached ₹73.20 Lakhs during the year, impacting over 5,02,200 people.

Partner	Location	Spend (₹ Lakhs)	Status	Beneficiaries
TIDE – Tribal Integrated Development and Education Trust	South Gujarat and Madhya Pradesh	35	New	**5,00,000+** People **510** Villages
Bhansali Trust – Musher Integrated Development Project	Gaya, Bihar	25	Ongoing	**161** Villages **2,824** SHG members
KVO Drashti Foundation for the Blind	Maharashtra and Gujarat	13	New	**2,200** Visually impaired people
Total	–	**73**	–	**5,02,200+** People

Case study

Tribal Integrated Development and Education Trust

Our largest new tribal welfare partnership this year has been with TIDE. We supported healthcare and community development across the tribal blocks of Dharampur and Kaprada in Valsad district, and Danta in Banaskantha. Together, these regions are home to more than 5,00,000 people across 510 villages.

The programme is delivered on the ground by a network of 747 paramedical volunteers, providing primary healthcare to over 40,000 patients each month. It also extends targeted support to the most vulnerable members of these communities. During the year, 212 malnourished pregnant and lactating mothers, children, and tuberculosis patients received supplementary nutrition support. Additionally, 539 families were provided monthly financial support during periods of acute need.

5,00,000+
People across 510 Villages

40,000+
Patients Treated Monthly

₹35 Lakhs
Spent

Livestock, Environment and Other Community Initiatives

Beyond our core focus areas, we backed initiatives spanning animal welfare, environmental restoration, and civic development.

Partner	Location	Spend (₹ Lakhs)	Status	Beneficiaries
Bhagwan Mahavir Pashu Raksha Kendra	Kutch, Gujarat	25	New	Animal welfare **600-acre** Campus
Shiv Enterprises – Green Environment	Palghar	~1	New	**3 km** Road-divider lantation
Swachh Bharat – Outplay Sports	Dahanu	~1	New	Beach marathon and clean-up
Mindbend (SVNIT	Surat	2		Student innovation platform
New PC World – Rural Development	Vegani, Bharuch	~1		Computer donation to rural school
Shri KVO Jain Mahajan – Others	Mumbai	Various		Housing and welfare support
Total	–	**30**	–	–

Case study

Bhagwan Mahavir Pashu Raksha Kendra

Our principal livestock initiative supported the Bhagwan Mahavir Pashu Raksha Kendra in Kutch, a trust that has dedicated over three decades to animal welfare (jivadaya) and environmental conservation. Spread across 600 acres, the campus includes a dedicated 225-acre green zone for tree plantation, alongside a free-roam animal sanctuary and a knowledge city. It also has a museum, an auditorium, and a modern veterinary hospital. The trust cares for animals, with particular attention to ones with special needs, housing them separately and ensuring access to nutritious food and comprehensive medical care. Its organised cattle care and feeding programme also helps sustain the welfare of a large animal population through the year.

600-Acre
Campus (225 Acres Under Tree Plantation)

₹25 Lakhs
Spent

Housing Aid, Livelihood, and Senior Citizen Welfare

We support initiatives that provide long-term security and dignity for vulnerable groups, from housing assistance for low-income families to residential care for the elderly. Our combined investment in these initiatives amounted to ₹100 Lakhs during the year.

Partner	Location	Spend (₹ Lakhs)	Status	Beneficiaries
Sadbhavana Seva Foundation	Rajkot, Gujarat	40	New	Senior citizens **7** Residential towers
Kutchi Jain Foundation — Housing Aid	Sion, Mumbai	20	New	**4** Families
Samast Mahajan	Mumbai	40	New	**18** Families (Distribution of 7 Ertiga, 2 Swift Dzire and 9 auto rickshaws to economically weaker individuals to create sustainable livelihood opportunities)
Total	–	**100**	–	–

Case study

Sadbhavana Seva Foundation, Rajkot

Our most significant contribution in this area supported the construction of an old age home in Rajkot by the Sadbhavana Seva Foundation. The facility has seven residential towers designed to provide a safe, comfortable, and community-oriented living environment for senior citizens. It has been envisioned and built around the simple idea that senior citizens deserve to live with dignity, care, and emotional wellbeing, not merely a bed and a roof.

30 Acres
Land Area

7
Residential Towers

₹40 Lakhs
Amount Spent

GOVERNANCE

Governing with Integrity

Good governance is what makes ethical conduct, sustainable growth, and long-term value creation possible. It is an enabler, not a constraint. Our governance framework promotes transparency, accountability, and disciplined decision-making while embedding ESG priorities into the way the business is managed. It makes sustainability a shared responsibility across the organisation rather than the concern of any single function.

Board Oversight of ESG

Our Board of Directors provides strategic oversight of our governance framework and plays a central role in integrating ESG considerations into corporate strategy. It regularly monitors progress against sustainability goals and ensures ESG remains a priority at the highest level of the organisation.

To strengthen execution, senior management holds monthly reviews with key functional leaders to monitor ESG KPIs, track implementation progress, and inform decision-making. The Board's sub-committees provide additional oversight of ESG performance, risk mitigation, compliance, and alignment with global standards.

Managing Risk through an Integrated Framework

Our enterprise risk management framework is designed to identify, assess, and mitigate risks that could affect long-term value creation. Oversight is provided by the Board's Risk Management Committee, which develops and executes mitigation plans. ESG considerations have been embedded directly into this framework. Periodic risk assessments across all our operating sites cover areas such as climate change, water availability, employee safety, supply chain disruption, and regulatory compliance. This integrated approach informs our mitigation strategies and sharpens the quality of our decision-making.

Upholding Ethics and Compliance

We hold ourselves to an uncompromising standard on compliance and ethics, meeting every legal, regulatory, and voluntary commitment across our jurisdictions. A formal Code of Conduct, built on our values of care, integrity, and excellence, binds every employee and Director, and guides behaviours across all business activities.

Our Code of Business Ethics, Anti-Bribery and Anti-Corruption Policy, and Whistleblower Policy work together to ensure ethical governance is upheld consistently. The Code of Conduct sets clear ethical standards for employees, partners, and vendors, while the Whistleblower Policy protects any employee who raises an ethical concern. Each employee and key managerial personnel has completed the Code of Conduct training and is expected to adhere to it strictly. Our Directors and Senior Management renew their commitment each year, reinforcing accountability at the highest level of the organisation.

Zero

Reported Whistleblower Cases

Zero

Instances of Fines or Violations Relating to Bribery, Fraud or Non-Adherence to the Code

Key Governance Policies

- Code of Ethical Conduct
- Anti-Bribery and Anti-Corruption Policy
- Vigil Mechanism Policy
- Whistleblower Policy
- Risk Management Policy
- Environment Policy
- Supplier Code of Conduct
- Occupational Health and Safety Policy
- Responsible Procurement Policy
- Sustainability Policy
- Prevention of Sexual Harassment (POSH) Policy

CHAIRMAN EMERITUS

Shri Chandrakant V. Gogri

Shri Chandrakant V. Gogri is the founder of Aarti Industries Limited. He holds a degree in Chemical Engineering from the Institute of Chemical Technology (formerly the University Department of Chemical Technology).

With decades of experience across project execution, manufacturing, process development, and marketing, he has played a defining role in shaping the Aarti Group's growth into one of India's leading specialty chemical enterprises. His strategic vision, deep understanding of the chemical industry, and financial acumen have guided the Group through its expansion while laying the foundation for its long-term success.

In recognition of his outstanding contributions to the Indian chemical industry, Shri Gogri was awarded the Lala Shriram National Award for Leadership in the Chemical Industry in 2015 and the ICC's D.M. Trivedi Lifetime Achievement Award in 2019. In 2022, he received the Lifetime Contribution Award at the Chemical and Petrochemical Awards by FICCI, and the Lifetime Achievement Award from the Gujarat Dyestuff Manufacturers' Association (GDMA).

BOARD OF DIRECTORS

The People Guiding Our Direction

Shri Rashesh C. Gogri
Chairman (Non-Executive Director)

Smt Hetal Gogri Gala
Vice Chairperson and Managing Director

Shri Narendra J. Salvi
Managing Director

Shri Rajendra V. Gogri
Non-Executive Director

Shri Parimal H. Desai
Non-Executive Director

Smt Nehal Garewal
Non-Executive Director

Shri Bhavesh R. Vora
Independent Director

Shri Vinay G. Nayak
Independent Director

Shri Vilas G. Gaikar
Independent Director

Smt Jeenal K. Savla
Independent Director

Smt Rupal A. Vora
Independent Director

Shri Pradeep H. Thakur
Independent Director

International Safety Award

Merit

— 2026 —

This is to certify that,

Aarti Pharmalabs Ltd

Has achieved an International Safety Award for demonstrating a strong commitment to good health and safety management during 2025.

Peter McGettrick
Chair of The Board of Trustees
March 13, 2026

Mike Robinson
Chief Executive
March 13, 2026

British Safety Council (Company Limited by Guarantee) Registered in England and Wales No. 4618713. Registered Charity No. 1097271 and OSCR No. SC037998.

BRITISH SAFETY COUNCIL
International Safety Awards 2026

Certificate number
AW-0014007

Corporate Information

Chairman Emeritus

- Shri Chandrakant V. Gogri

Chairman (Non-Executive Director)

- Shri Rashesh C. Gogri

Vice Chairperson and Managing Director

- Smt Hetal Gogri Gala

Managing Director

- Shri Narendra J. Salvi

Non-Executive Directors

- Shri Rajendra V. Gogri
- Shri Parimal H. Desai
- Smt Nehal Garewal

Independent Directors

- Shri Bhavesh R. Vora
- Shri Vinay G. Nayak
- Shri Vilas G. Gaikar
- Smt Jeenal K. Savla
- Smt Rupal A. Vora
- Shri Pradeep H. Thakur

Key Managerial Personnel

Company Secretary

- Shri Jeevan B. Mondkar

Chief Financial Officer

- Shri Piyush P. Lakhani

Statutory Auditors

- Gokhale & Sathe, Chartered Accountants

Secretarial Auditor

- Mehta & Mehta, Company Secretaries

Cost Auditor

- Ketki D. Visariya & Co., Cost Accountants

Registrar and Transfer Agent

- MUFG Intime India Private Limited
  (formerly Link Intime India Private Limited)
  C 101, Embassy 247, L.B.S Marg, Vikhroli (West)
  Tel.: +91 22 4918 6000
  Fax: +91 22 4918 6060
  Email: mumbai@in.mpms.mufg.com
  Website: www.in.mpms.mufg.com

Banks/Financial Institutions

- Axis Bank Limited
- Citibank N.A.
- Kotak Mahindra Bank Limited
- Standard Chartered Bank
- IDBI Bank Limited
- ICICI Bank Limited

Registered Office

- Plot No. 22/C/1 and 22/C/2, 1st Phase, GIDC Vapi - 396 195, Valsad, Gujarat

Corporate Office

- Embassy Park 247, Tower C, 401, 4th Floor, LBS Marg, Vikhroli (W), Mumbai - 400 083, Maharashtra, India

Corporate Identity Number (CIN)

- L24100GJ2019PLC110964

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

Global

The global economy maintained resilience during the year, even as geopolitical tensions, trade frictions, and elevated policy uncertainty weighed on the outlook. The IMF's April 2026 World Economic Outlook projects global growth at 3.10% in 2026 and 3.20% in 2027, against an estimated 3.40% in 2025. Global headline inflation is expected to rise from 4.10% in 2025 to 4.40% in 2026, before easing to 3.70% in 2027. Downside risks include geopolitical instability, trade-related tensions, and potential volatility in financial markets. Divergent monetary policies, with the US easing rates gradually, the Euro area raising rates, and Japan continuing gradual increases, add further complexity to the near-term outlook, with central banks remaining focused on preserving price stability and keeping inflation expectations well anchored[1].

India

India remained one of the fastest-growing major economies during the year. The National Statistical Office's second advance estimate placed real GDP growth at 7.60% in FY 2025-26, backed by strong private consumption and fixed investment. Manufacturing and services remained resilient, while inflation stayed relatively contained: headline CPI stood at 3.40% in March 2026 and 3.50% in April 2026, with core inflation holding steady at 3.70%. In response, the Monetary Policy Committee maintained the repo rate at 5.25% with a neutral stance, reflecting a data-dependent approach amid elevated uncertainty[2].

The FY 2026-27 Union Budget reinforced the Government's commitment to public investment and fiscal consolidation. Total expenditure in Budget Estimates 2026-27 is estimated at ₹53,47,315 Crores, with capital expenditure of ₹12,21,821 Crores and effective capital expenditure of ₹17,14,523 Crores. The Central Government's fiscal deficit for 2025-26 stood at 4.4% of GDP, below revised estimates, supporting the broader consolidation narrative[3].

GLOBAL PHARMACEUTICAL INDUSTRY

The global pharmaceutical industry sustained robust growth during the year, underpinned by the rising prevalence of chronic and infectious diseases, higher healthcare expenditure, an ageing global population, and continued pharmaceutical innovation. The market stood at US$ 1,738.0 billion in 2025 and is projected to reach US$ 2,776.7 billion by 2033, at a CAGR of 6.1%. North America remained the largest regional market, accounting for 41.8% of global revenue, while Asia-Pacific is expected to be the fastest-growing region, driven by expanding healthcare access, higher expenditure, and strengthening R&D and manufacturing capabilities.

Demand for long-term therapeutic management continues to grow as chronic disease burden deepens. According to the International Diabetes Federation, approximately 589 million adults were living with diabetes in 2024, a figure projected to reach 853 million by 2050. Oncology remained the largest therapeutic segment, accounting for 18.6% of the global market. Technology is reshaping the landscape: AI is accelerating drug discovery and compressing development timelines, while biologics, monoclonal antibodies, precision medicine, and cell-based therapies are broadening available treatment options across therapeutic areas.

Despite the rapid growth of biologics, conventional small-molecule drugs remained the largest molecule segment, accounting for 54.2% of the market in 2025. Oral formulations led drug administration at 57.4%, owing to their convenience, patient compliance, and cost-effective manufacturing. Branded pharmaceuticals held 66.5% of global market revenue, with prescription medicines accounting for 86.5%. Long-term industry fundamentals remain favourable, even as high drug development costs, stringent regulatory requirements, and complex approval processes continue to pose meaningful challenges[4].

INDIAN PHARMACEUTICAL INDUSTRY

India stands among the world's foremost pharmaceutical manufacturing hubs, recognised as the 'Pharmacy of the World'. The third-largest pharmaceutical producer by volume and 14th by value, India supplies one in every five generic medicines globally and exports to over 200 countries. Mordor Intelligence valued the Indian pharmaceutical market at US$ 57.6 billion in 2025, projected to reach US$ 79.7 billion by 2031 at a CAGR of 5.74%. Domestic pharmaceutical sales touched US$ 28.0 billion in FY 2025-26, recording year-on-year growth of 8.8%, while exports have compounded at approximately 7% per annum over the past decade. India hosts more USFDA-compliant plants than any country outside the US, holds a US$ 19 billion pharmaceutical trade surplus, and contributes approximately 4% of India's cumulative FDI inflows.

[1] *Source: World Economic Outlook, April 2026*
[2] *Source: RBI Bulletin June 2026*
[3] *Source: Budget at a Glance 2026-2027*
[4] *Source: Grandview Research - Pharmaceutical Market (2026-2033)*

The sector is advancing into high-value segments including APIs, biologics, biosimilars, and CDMO services. India's CRDMO industry is projected to double to approximately US$ 14 billion by 2028, driven by increasing global outsourcing and continued patent expirations. Government support through the PLI scheme for pharmaceuticals and bulk drugs, the Pradhan Mantri Bhartiya Janaushadhi Pariyojana, and targeted Budget allocations continue to strengthen domestic API manufacturing, improve supply chain resilience, and advance India's positioning as a globally competitive pharmaceutical and biotechnology hub[5].

GROWTH DRIVERS

Active Pharmaceutical Ingredients

India continues to gain ground as a strategic manufacturing hub for active pharmaceutical ingredients (APIs), supported by its cost-competitive manufacturing base, regulatory-compliant facilities, and expanding export capabilities. The India API market, worth US$ 14.18 billion in 2025, is set to reach US$ 15.28 billion in 2026. By 2031, it is projected to touch US$ 22.18 billion, at a CAGR of 7.74% during 2026-2031. Policy support, rising export demand, and steady investments in manufacturing capacity are together driving this growth.

Government initiatives, including the PLI scheme and the development of Bulk Drug Parks, are accelerating domestic output, reducing import dependence, and boosting supply chain resilience. Operational PLI projects and shared infrastructure including solvent recovery, effluent treatment and shared utilities are strengthening India's self-reliance in the production of critical bulk drugs. They are also helping improve manufacturing efficiency and cost competitiveness.

The ongoing diversification of global pharmaceutical supply chains is also benefitting India. Post the implementation of the US BIOSECURE Act, drugmakers in the US and Europe are diversifying sourcing beyond China, lifting demand for Indian APIs. India's proven regulatory capabilities, broad USFDA-approved manufacturing base, and competitive production costs continue to reinforce its position as a preferred sourcing destination for regulated markets.

Investments in high-value and technology-intensive segments are increasing. Capacity additions in high-potency APIs (HPAPIs), particularly for oncology applications, and investments in biotechnology, fermentation, and continuous manufacturing, are expanding India's capabilities in complex APIs. AI-enabled process optimisation is further improving efficiency, trimming production cycle times, and energy use while supporting quality and operational performance.

The rapid rise of contract research, development, and manufacturing (CRDMO) services is another tailwind, as global firms increasingly outsource research, process development, and commercial manufacturing. This is supporting investments in integrated development and manufacturing capabilities and creating durable opportunities for Indian API manufacturers across regulated markets.

Despite the favourable outlook, challenges persist, including volatility in China-sourced key starting material (KSM) prices and evolving compliance requirements, particularly for smaller manufacturers. In response, firms are focusing on backward integration and investing in quality systems and modern plants. Each such move strengthens the long-term competitiveness of the Indian API industry[6].

Contract Development and Manufacturing Organisations

India's contract manufacturing sector continues to strengthen its role as a strategic partner in the global pharmaceutical value chain. Cost-efficient manufacturing, skilled scientific workforce, and growing capabilities in both small- and large-molecule manufacturing underpin its position. The India contract manufacturing organisation (CMO) market, valued at US$ 25.81 billion in 2025, is projected at US$ 29.53 billion in 2026. By 2031, it is expected to reach US$ 57.94 billion, at a 14.43% CAGR during 2026-2031. Increasing global outsourcing, capacity expansion, policy support, and continued investments in advanced manufacturing technologies are all supporting this expansion.

India continues to benefit from global supply chain diversification as pharmaceutical innovators increasingly outsource manufacturing to improve supply chain resilience and optimise costs. Growing demand for biologics, complex injectables, and specialised manufacturing services is accelerating investments in new facilities, particularly across established hubs such as Hyderabad, Gujarat, and Andhra Pradesh. Meanwhile, PLI schemes for pharmaceuticals and APIs continue to support capacity expansion, manufacturing modernisation, and long-term competitiveness.

The industry is witnessing a gradual shift towards higher-value manufacturing. Small molecules accounted for 67.65% of the market in 2025, but biologics are expected to register faster growth over the forecast period. This is driven by increasing outsourcing of monoclonal antibodies and other complex biologics. Similarly, finished-dose manufacturing is expected to outpace API manufacturing with global firms preferring integrated manufacturing partners that can support development from APIs through to commercial dosage forms.

Technology is further enhancing the competitiveness of Indian contract manufacturers. AI, digital process optimisation, and advanced manufacturing technologies are improving development timelines, efficiency, and quality,

[5] *Source: India Brand Equity Foundation (IBEF), Pharmaceuticals, February 2026*
[6] *Source: Mordor Intelligence, India Active Pharmaceutical Ingredients (API) Market, 2026*

while strengthening regulatory compliance and operational consistency. Continued investments in automation, process analytics, and digital manufacturing are equipping Indian manufacturers to undertake increasingly complex development and commercial manufacturing programmes.

Despite strong growth prospects, volatile raw-material prices, challenges such as evolving global regulation and rising compliance costs persist. Heightened regulatory oversight by the CDSCO and the US FDA is prompting investments in quality systems and manufacturing excellence, bolstering the credibility of Indian manufacturers in regulated markets. With expanding biologics capabilities, steady outsourcing demand, and sustained infrastructure investments, the Indian CDMO industry is well-placed to grow as a preferred global outsourcing destination[7].

COMPANY OVERVIEW

Aarti Pharmalabs Limited (hereafter referred to as 'APL', or 'the Company') is a trusted global pharmaceutical manufacturing partner. We deliver high-quality APIs, Xanthine derivatives, and integrated CDMO/CMO solutions to customers across regulated and emerging markets. As part of the Aarti Group, with over 25 years of manufacturing excellence, we combine scientific expertise, advanced manufacturing, and an uncompromising focus on quality.

The Company's capabilities span from regulatory starting materials and intermediates to drug substances for both generic and innovator-led programmes. Deep process chemistry expertise, integrated manufacturing infrastructure, and strong R&D capabilities enable us to partner with customers from development through commercialisation. We hold ourselves to the highest standards of quality, regulatory compliance, and operational excellence throughout the value chain.

Today, we serve customers in over 50 countries and are market leaders in Xanthine derivatives. We also continue to strengthen our presence in the small-molecule CDMO/CMO segment. Driven by innovation and a customer-centric approach, we remain committed to delivering sustainable growth and creating lasting value for our customers and stakeholders.

Products and Services

APIs and Intermediates

We offer a diversified portfolio of high-quality APIs and advanced pharmaceutical intermediates for regulated and emerging markets. Leveraging strong process chemistry capabilities, we develop robust, cost-effective, and scalable manufacturing processes to efficiently commercialise complex small molecules. Our expertise spans process development, technology transfer, and commercial-scale manufacturing, helping us serve innovator and generics pharmaceutical companies worldwide.

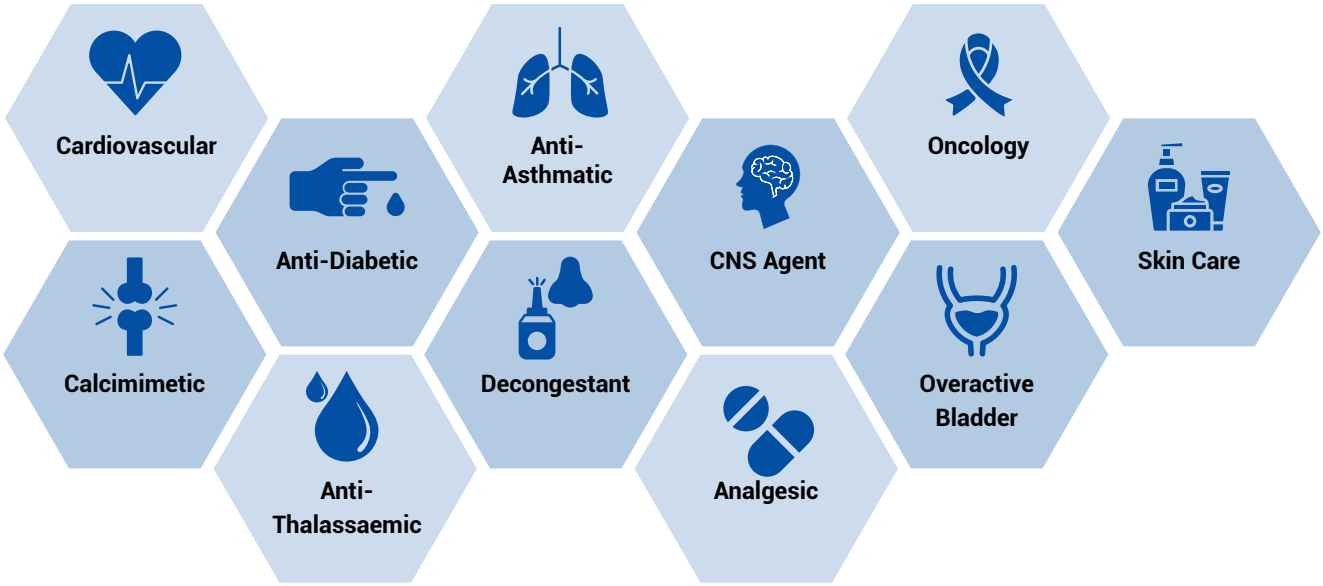
This business segment is backed by state-of-the-art manufacturing facilities approved by major global regulators, including the USFDA, EU GMP, EDQM, KFDA, and COFEPRIS. With three dedicated R&D centres and a firm focus on innovation, we continue to broaden our portfolio through new product development, process optimisation, and regulatory filings. Each of these reinforces our standing as a reliable global pharmaceutical manufacturing partner.

Key Highlights

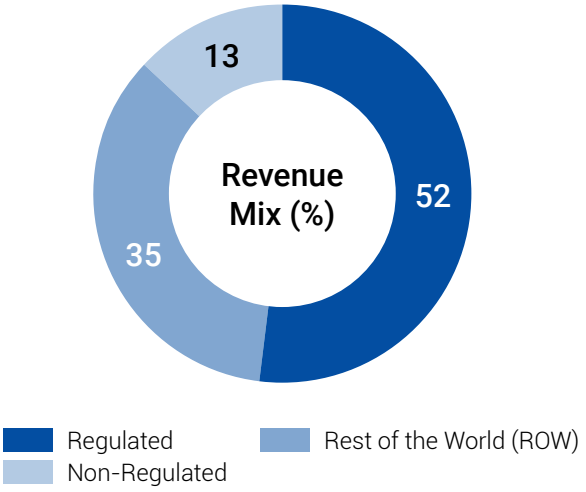
11	60	44	140+	61
New APIs Under Development (R&D/Validation)	US DMF Approvals	CEP Approvals	Generic Intermediates	APIs Commercialised

[7] *Source: Mordor Intelligence, India Contract Manufacturing Organisation (CMO) Market, 2026*

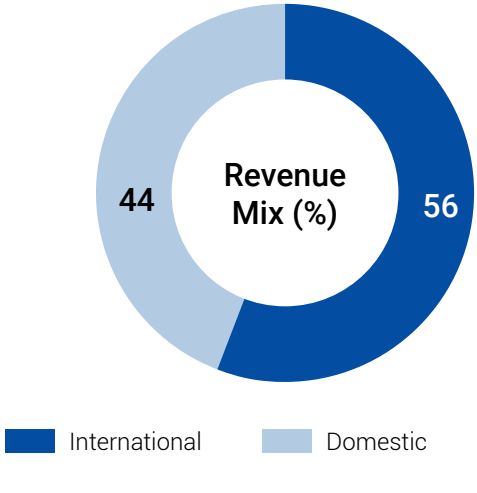
Therapeutic Segment



Market Segmentation FY 2025-26



Geographical Sales Split FY 2025-26



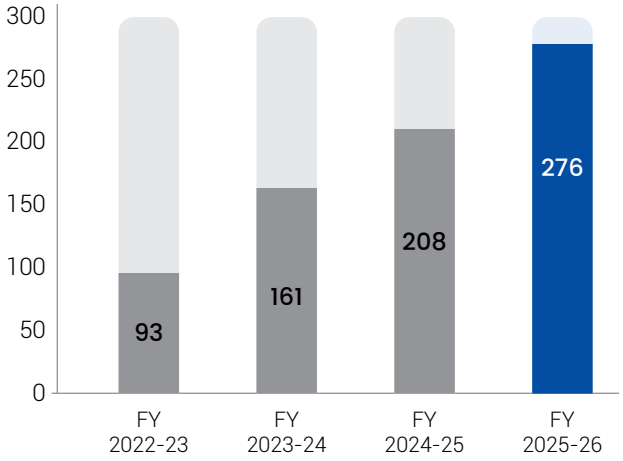
CDMO/CMO services

Aarti Pharmalabs ranks among India's leading small-molecule CDMO/CMO players. We offer end-to-end process development and manufacturing services for KSMs, RSMs, intermediates, and GMP APIs for small-molecule NCEs, from clinical development to commercialisation. The Company's expertise extends to complex chemistries, including cyanation, flow chemistry, and nucleotides.

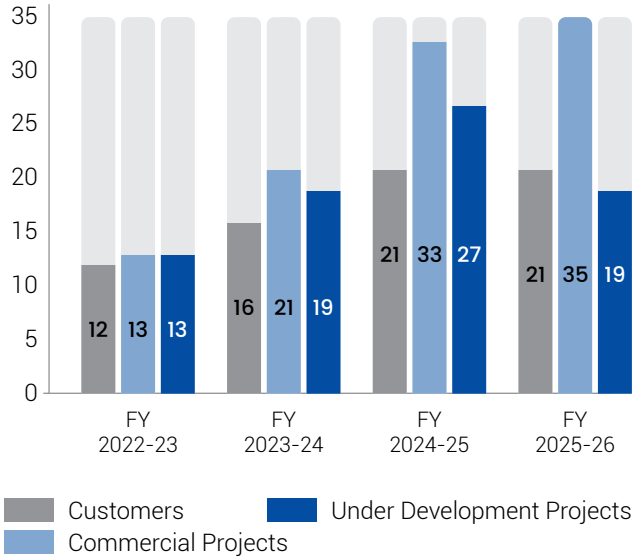
Supported by three dedicated R&D centres and pilot facilities, we are currently working with 21 customers across 54 active projects. This includes 35 commercial projects and 19 projects under development.

The Company's capabilities span robust process development (DoE and QbD studies), process validation, analytical method development and validation. This is underpinned by strong CMC documentation, enabling efficient technology transfer, regulatory approvals, and commercial manufacturing.

CDMO Sales (₹ Cr)



CDMO Customers and Projects



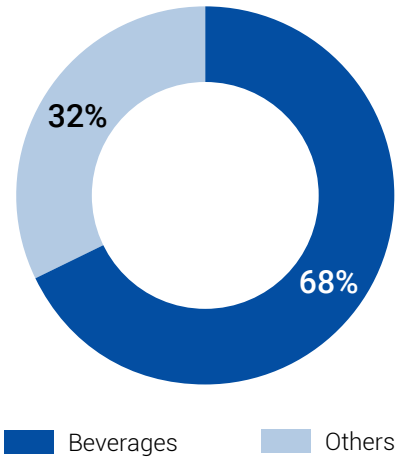
Xanthine Derivatives and Allied

We are a fully backward-integrated manufacturer of Xanthine derivatives, including caffeine, theophylline, aminophylline, and etophylline, serving pharmaceutical, nutraceutical and food & beverage applications. Our integrated manufacturing capabilities ensure consistent product quality, reliable supply, and efficient operations.

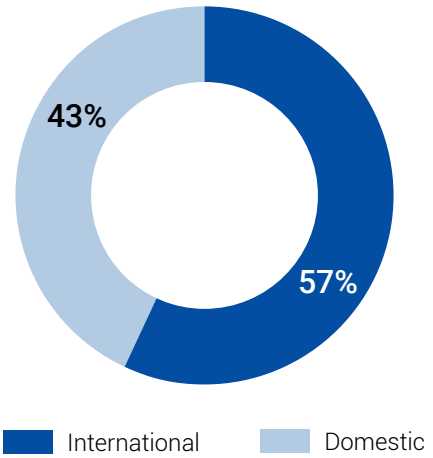
We currently operate an installed manufacturing capacity of 5,000 MTPA, which is being expanded to 9,000 MTPA in a phased manner. The plant has been commissioned in Q1 FY 2026-27. The expanded capacity will enhance our ability to meet growing customer demand across global markets.

Our portfolio also includes sulphur and sulphonation-based products that serve as key raw materials for Xanthine derivatives and other specialty chemical applications, further strengthening our integrated manufacturing platform.

Sales Quantity Split FY 2025-26



Geographical Sales Split FY 2025-26



FINANCIAL PERFORMANCE

In ₹ Crores	FY 2025-26	FY 2024-25*	FY 2023-24*
Total income	1,819.4	2,115.1	1,852.6
Total expenses	1,417.0	1,650.7	1,466.6
EBITDA	402.4	464.4	386
EBITDA margin	22.12%	21.96%	20.84%
Depreciation	104.3	86.9	73.2
Finance costs, Forex Loss less (other Income)	70.4	16.8	12.3
PBT	227.7	360.7	300.5
Tax expenses, Exceptional Items gain/(Loss), Share of profit of JV	53	88.3	83.6
PAT	174.7	272.4	216.9
PAT margin	9.60%	12.88%	11.71%

**The consolidated financial statements for FY 2025-26 are not directly comparable with the previous year, following the accounting of Ganesh Polychem Limited as a joint venture under the equity method with effect from April 01, 2025*

During FY 2025-26, the Company reported consolidated operational revenue of ₹18,194 million. EBITDA was ₹4,024 million, at a margin of 22.12%. Profit after tax (PAT) stood at ₹1,747 million, translating into a PAT margin of 9.60%.

The FY 2025-26 consolidated financial statements are not directly comparable with the previous year. This is post the accounting of Ganesh Polychem Limited as a joint venture under the equity method with effect from April 01, 2025.

The net debt-to-equity ratio stood at 0.32x as of March 31, 2026, compared with 0.19x as on March 31, 2025.

BUSINESS OUTLOOK

The Company remains focused on strengthening its core businesses through capacity expansion, product portfolio enhancement, and operational excellence. Integrated manufacturing, a diversified product portfolio, and strong customer relationships drive sustainable growth across its API and Intermediates, CDMO/CMO, and Xanthine Derivatives businesses.

The Company will continue to focus on expanding its presence in regulated markets, deepening its product pipeline, and growing its CDMO business through customer additions and project progression. Alongside this, it intends to continually improve operational efficiency across manufacturing. Backed by ongoing investments in R&D, manufacturing capabilities, and quality systems, it is well positioned to capitalise on opportunities in domestic and global pharmaceutical markets.

KNOWLEDGE MANAGEMENT

The Company maintains a robust Intellectual Property (IP) framework aligned with ISO 27001:2013 standards. This ensures secure access controls, structured information sharing, and authorised disclosure to protect confidential information.

An experienced Knowledge Management team supports Freedom-to-Operate (FTO) assessments and non-infringing process development through comprehensive chemical database searches. The team also ensures compliance with accreditation requirements covering information integrity, confidentiality, and availability.

RESEARCH & DEVELOPMENT

R&D remains a key pillar of the Company's growth strategy. Its strong R&D capabilities have made it a preferred partner for customers across global markets.

Research Capabilities

- Vast knowledge base
- Rich industry experience
- Strong technical expertise
- Well-established R&D infrastructure

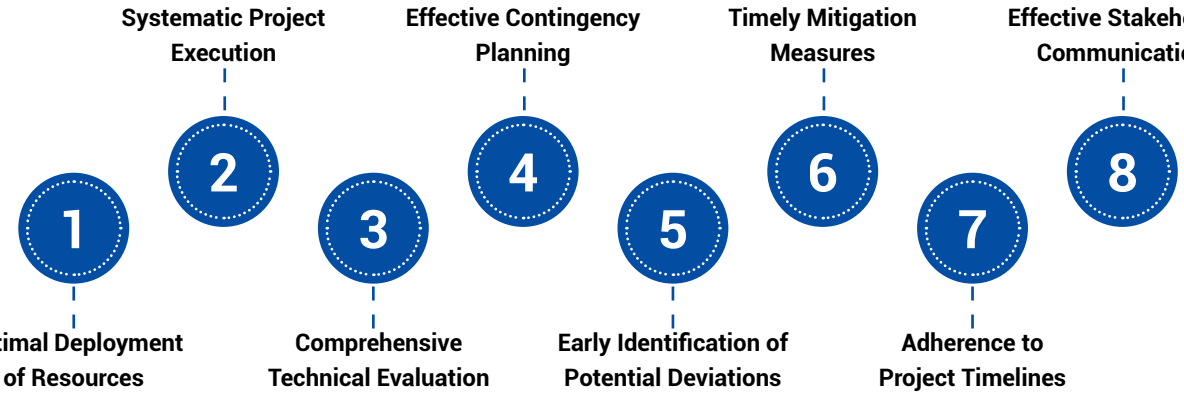
Expertise

- Deep chemistry expertise
- Strong analytical capabilities
- Synthesis and process development laboratories
- Robust process chemistry infrastructure
- Proficient team of scientists – 21 PhDs and 122 R&D process scientists

The Company operates three sophisticated R&D centres at Nerul and Dombivli in Maharashtra, and Vapi in Gujarat. These facilities support route scouting and design, product and process development, process optimisation, scale-up and technology lifecycle management. Together, they enable the efficient development and commercialisation of new products.

A structured programme management system keeps execution seamless across the product lifecycle from customer enquiry and process development to commercialisation. This facilitates timely delivery and effective project management.

Programme Management System



RISK AND MITIGATION

The Company has a Risk Management framework to identify, assess, monitor, and mitigate internal and external risks across its operations. The Board's Risk Management Committee oversees these processes, reviews mitigation strategies, and monitors environmental changes to identify emerging risks and ensure a timely response.

Risk	Mitigation Measure
Regulatory Risk: The pharmaceutical industry operates under stringent regulatory requirements across multiple geographies. Delays, non-compliance, or misinterpretation of regulatory requirements can impact business operations and restrict market access.	A comprehensive internal control framework, backed by well-defined policies and periodic reviews, helps ensure compliance with applicable requirements across all operating markets.
R&D Risk: Sustained R&D investment is essential to stay competitive as technologies, customer requirements and market dynamics evolve.	Cutting-edge R&D centres and an experienced team of scientists drive continuous innovation and advancement. The Company continues investing in R&D to strengthen its product pipeline and process development capabilities.
Competition Risk: Increasing competition from domestic and global players may impact market share, pricing, and profitability.	The Company differentiates itself through a diversified portfolio, strong R&D, high quality and compliance standards, enduring customer relationships, and continued backward integration to sharpen operational efficiency and competitiveness.
Raw Material Risk: Supply constraints or price volatility of key raw materials may pressure pricing, production continuity, and profitability.	The Company maintains long-term relationships with suppliers to ensure uninterrupted availability of raw materials at competitive prices. An RM-plus pricing mechanism also mitigates the impact of raw material price volatility.
Quality Risk: Failure to meet GxP standards, including Good Manufacturing Practices (GMP) and Good Laboratory Practices (GLP) can result in regulatory actions, reputational damage, and business disruption.	Dedicated quality teams across all manufacturing sites uphold stringent quality standards through a 'Right First Time' approach. Regular audits, ongoing training, robust quality systems, timely investigations, and corrective and preventive action programmes fortify quality assurance and prevent recurrence of non-conformities.
Health, Safety & Environment Risk: Health, safety, or environmental incidents may adversely impact employee wellbeing, regulatory compliance, business continuity and the Company's reputation.	A robust HSE management system and dedicated teams enable continuous monitoring of operational risks and compliance with regulations and industry standards. Periodic internal and external audits, monthly HSE awareness programmes, and structured risk assessment tools – Hazard Identification and Risk Assessment, HAZOP studies, and Hazard Study Checklists – support effective risk identification and mitigation.

INFORMATION TECHNOLOGY

Information Technology remains a key enabler of operational excellence, digital transformation, and business resilience. We are committed to maintaining the highest standards of information security, cybersecurity, and data privacy, safeguarding the confidentiality, integrity, and availability of business-critical information.

Robust cybersecurity measures, periodic system upgrades, and well-defined information security protocols protect our infrastructure against cyber threats and unauthorised access. Comprehensive governance frameworks, with clear roles and responsibilities for employees, contractors, customers, vendors, and other stakeholders, ensure adherence to the Information Security Management System.

We continue to strengthen our digital capabilities to enable secure data management, sharper decision-making, and greater efficiency. Our Business Continuity and Disaster Recovery (BCDR) framework also enables the timely recovery of critical systems and minimises business disruption if unforeseen incidents occur.

QUALITY ASSURANCE

Aim	Approach	Outcome
• Deliver high-quality products and services that consistently meet customer requirements • Enhance stakeholder value by exceeding customer expectations • Strengthen quality leadership through best-in-class manufacturing technologies and robust quality systems • Promote sustainable, environmentally responsible manufacturing	• Maintain robust quality management systems across operations • Ensure strict compliance with applicable national and international quality standards • Uphold global standards of safety, quality, and efficacy across all facilities • Follow a lifecycle approach centred on the 'Right First Time' philosophy across products, processes, and services • Drive continuous improvement through customer feedback and process optimisation	• Develop a highly skilled, quality-focused workforce • Deliver consistent, high-quality products and services with 'Right First Time' execution • Build enduring customer confidence through reliable quality and compliance • Strengthen competitiveness through a deep understanding of customer and market needs

INTERNAL CONTROL SYSTEMS AND THIER ADEQUACY

Our internal control framework is commensurate with the size, scale, and complexity of our operations. It safeguards assets, ensures authorised and accurate recording of transactions, promotes operational efficiency, and supports compliance with applicable laws and regulations.

We have implemented a robust Compliance Management System (CMS) to strengthen governance and risk management across the business. It maintains a comprehensive repository of applicable laws and regulations and provides timely alerts, customised reporting, and regulatory updates. Together, these enable effective compliance monitoring and timely corrective actions.

CAUTIONARY STATEMENT

Aarti Pharmalabs may, from time to time, make additional written and oral forward-looking statements, including statements contained in our filings with the Bombay Stock Exchange and the National Stock Exchange, and the reports to our shareholders. Aarti Pharmalabs does not undertake to update any forward-looking statements that may be made from time to time by it or on its behalf. All information contained in this report has been prepared solely by us. Aarti Pharmalabs does not accept any liability whatsoever for any loss, however arising from any use or reliance on this Annual Report, its contents, or anything in connection therewith.

DIRECTORS' REPORT

To
The Members of
Aarti Pharmalabs Limited

Your Directors are pleased to present this Seventh Annual Report of Aarti Pharmalabs Limited ("the Company" or "APL") together with the Audited Financial Statements for the financial year ended March 31, 2026 ("year under review" or "FY 2025-26").

1. FINANCIAL HIGHLIGHTS

(₹ In Lakhs except EPS and Book Value)

Particulars	Standalone		Consolidated	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Total Income from Operations (Gross)	1,79,755	1,77,135	1,81,944	2,11,507
EBITDA*	40,612	42,654	40,242	46,437
Depreciation & Amortisation	10,430	7,906	10,434	8,690
Profit from Operations before Other Income, Finance Costs and Exceptional Items	29,903	34,748	30,329	37,746
Other Income	1,532	1,280	975	843
Profit before Finance Costs	31,435	36,028	31,303	38,589
Finance costs and foreign exchange loss	8,011	2,394	8,011	2,520
Profit before Tax	23,424	33,634	23,292	36,069
Total Tax Expenses	5,804	7,899	5,821	8,828
Non-controlling Interest	-	-	-	-
Net Profit for the period	17,620	25,735	17,471	27,240
Other Comprehensive Income (net of taxes)	(395)	(516)	(624)	(976)
Total Comprehensive income for the year	17,225	25,219	16,847	26,265
Earnings Per Share (₹) (Basic & Diluted)	19.44 19.42	28.39 28.38	19.27 19.25	30.06 30.04
Book Value Per Share (₹)	219	203	234	220

*Includes foreign exchange loss.

2. COMPANY'S PERFORMANCE

On a standalone basis, the revenue for FY 2025-26 was ₹ 1,79,755 Lakhs, higher by 1.48% over the previous year's revenue of ₹ 1,77,135 Lakhs for FY 2024-25. The PAT attributable to shareholders in FY 2025-26 was ₹ 17,620 Lakhs compared to the PAT of ₹ 25,735 Lakhs in FY 2024-25.

On a consolidated basis, the revenue for FY 2025-26 was ₹ 1,81,944 Lakhs, reduced by 13.48% over the previous year's revenue of ₹ 2,11,507 Lakhs. The PAT attributable to shareholders for FY 2025-26 was ₹ 17,471 Lakhs registering the degrowth of 35.86% over the PAT of ₹ 27,240 Lakhs in FY 2024-25.

3. CONSOLIDATED FINANCIAL STATEMENTS

Your Directors are pleased to attach the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 ("Act") and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), prepared in accordance with the provisions of the Act and the Indian Accounting Standards ("IND AS").

4. STATE OF COMPANY'S AFFAIRS

The state of your Company's affairs is given in the Management Discussion and Analysis, which forms part of this Annual Report.

5. RESERVES

The Board of Directors ("Board") of your Company has decided not to transfer any amount to the Reserves for the year under review.

6. DIVIDEND

During the year under review, your Board has declared an Interim Dividend of ₹ 1.50 (@ 30%) per equity share of ₹ 5/- each aggregating to ₹ 1,359.87 Lakhs. Further, Directors are pleased to recommend the Final Dividend of ₹ 2 (@ 40%) per equity share of ₹ 5/- each subject to approval of the Shareholders at the ensuing

Annual General Meeting ("AGM"), aggregating to a total Dividend of ₹ 3.50 for FY 2025-26, resulting in a total payout Lakhs ₹ 1813.59 Lakhs (Previous Year: ₹ 4531.68 Lakhs). The dividend would be payable to all Shareholders whose names appear in the Register of Members as on Record Date.

The Dividend payout is in accordance with the Dividend Distribution Policy, which is available on the website of the Company. As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the top 1,000 listed companies shall formulate a Dividend Distribution Policy. Accordingly, the Policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Policy is available on the website of the Company and the web link thereto is https://www.aartipharmalabs.com/investors/dividend-distribution-policy-feb-2023.pdf

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders effective April 01, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 2025.

7. SHARE CAPITAL

Your Company's Equity Share Capital as on March 31, 2026 was as follows:

Particulars	No. of Shares	Face Value Per Share (in ₹)	Total Amount (in ₹)
Authorised Share Capital	10,00,00,000	5	50,00,00,000
Issued, Subscribed & Paid-up Share Capital	9,06,57,751	5	45,32,88,755

During the year 2025-26, the Nomination and Remuneration Committee allotted 23,127 number of equity shares to the employees of the Company under "Aarti Pharma Performance Stock Option Plan 2023" (PSOP 2023) upon exercise of the vested stock options. Thus, Issued, Subscribed and Paid-up Capital of the Company stands increased to ₹ 45,32,88,755 comprising of 9,06,57,751 equity shares of ₹ 5/- each.

The shares so allotted rank pari passu with the existing share capital of the Company. Apart from the same, there was no other change in the share capital of the Company.

The Company has not defaulted on payment of any dues to the financial lenders.

During FY 2025-26, the Company's outlay towards capital expenditure was ₹ 44,831 Lakhs for the standalone Company and ₹ 44,831 Lakhs at the consolidated level.

8. SUBSIDIARY/JOINT VENTURE COMPANIES

As on March 31, 2026, the Company has two (2) direct subsidiaries, namely, Aarti Pharmachem Limited and Aarti USA Inc. and one Joint Venture Company, namely, Ganesh Polychem Limited.

Aarti USA Inc. ceased to be a material subsidiary in the last accounting year and continue to remain so in the current accounting year. A policy on material subsidiaries has been formulated and is available on the website of the Company and the web link thereto is: https://www.aartipharmalabs.com/investors/policy-on-determination-of-material-subsidiary-feb-2023.pdf

During the year, the Board of Directors reviewed the affairs of the subsidiaries and joint venture in accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries and joint venture, which form part of the Annual Report.

Further a statement containing salient features of the financial statement of our Subsidiaries/Joint Venture in the prescribed format **AOC–1** is included in the Report as **Annexure-A** and forms an integral part of this Report.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility Committee ('CSRC') in terms of the requirements of Section 135 of the Act read with the rules made thereunder. The composition, detailed terms of reference of the CSR Committee, attendance at its meetings and other details have been provided in the Corporate Governance Report. The primary role of this Committee is to approve the CSR activities to be undertaken, allocate the necessary expenditure and oversee the execution and effectiveness of these initiatives.

The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders.

For past years, the Company has undertaken various CSR initiatives. The Company continues to address societal challenges through societal development programmes and remains focused on improving the quality of life. The Company's CSR initiatives and related projects are undertaken through Aarti Foundation, the principal implementation agency and their implementing partners. Aarti Foundation, our

philanthropic arm, we design and implement social initiatives that address critical societal needs and contribute to long-term community resilience. Our CSR approach is outcome-oriented and aligned with our vision of building an equitable and resilient society.

During FY2025-26, the Company spent ₹ 565.20 Lakhs towards its CSR activities demonstrating its unwavering commitment to the well-being of the community and society, the Company's CSR initiatives are focused on Education, Healthcare, Skill Development, Tribal Welfare Livestock Development and Green Environment etc. which positively impacted over 20,000 lives through its CSR programmes and initiatives. We work to strengthen access to quality and affordable healthcare for communities especially around our operations.

During the year under review, our CSR initiatives were executed in accordance with the annual action plan previously approved by the Board.

The detailed Policy on Corporate Social Responsibility is available on the website of the Company and the web link

https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf.

The CSR Annual Report which contains a brief note on various CSR initiatives undertaken during the year is annexed as **Annexure-B** and forms an integral part of this Report.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to the provisions of section 134(3)(g) of the Act, details of loans, guarantees and investments covered under section 186(4) of the Act are disclosed in the notes to the Audited Standalone Financial Statements, which forms part of the Annual Report.

11. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 read with Schedule V to the Listing Regulations, Management Discussion and Analysis for the year under review is presented in a separate section forming part of this Annual Report.

12. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

I. Board of Directors

Your Company actively seeks to adopt global best practices for an effective functioning of the Board and believes in having a truly diverse Board whose wisdom and strength can be leveraged for creating greater stakeholder value, protection of their interests and better corporate governance. The Company's Board comprises eminent persons with proven competence and integrity, who bring in vast experience and expertise, strategic guidance and leadership qualities. The Board fulfills its fiduciary responsibilities with a steadfast commitment to safeguarding the interests of the Company and its stakeholders.

The Board of the Company is carefully structured to achieve an optimal balance, consisting of Executive and Non-Executive Directors, including two (2) Women Independent Directors. This composition adheres strictly to the current provisions of the Act and the Listing Regulations ensuring compliance with governance standards. The details of the Board of Directors and Committees along with their composition, number of meetings held and attendance at the meetings during FY 2025-26 are provided in the Corporate Governance Report which forms part of this Report. During the Financial Year under review Five (5) Board Meetings were held.

Additionally, all directors of the Company have confirmed that they are not disqualified from being appointed as Directors, in accordance with Section 164 of the Act.

CHANGES IN THE BOARD COMPOSITION:

With a view to strengthening executive leadership and driving long-term strategic growth and realignment of roles and responsibilities amongst the promoters and based on recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 07, 2026 have re-designated Shri Rashesh C. Gogri (DIN: 00066291) as the Managing Director for a period of five years with effect from October 01, 2026, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) and other regulatory approvals, if any. The Board at the same meeting based on the recommendation of the Nomination and Remuneration Committee have re-designated Smt. Hetal Gogri Gala (DIN:00005499) as the Wholetime Director, liable to retire by rotation, for a period of five years with effect from October 01, 2026, subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) and other regulatory approvals, if any. The resolutions seeking approval of the Members in this regard have been incorporated in the Notice convening the AGM of the Company along with brief details about them.

In accordance with the regulatory requirements, Shri Rajendra V. Gogri (DIN: 00061003), Non-Executive and Non Independent Director of the Company shall retire by rotation at the ensuing Annual General meeting and is eligible for

re-appointment. However, Shri Rajendra V. Gogri expressed his desire to not offer himself for re-appointment at the ensuing AGM. Accordingly, he will cease to be a Director of the Company upon retirement by rotation at the ensuing AGM. The Board of Directors have decided to not fill up this vacancy.

Pursuant to Regulation 36 of the Listing Regulations read with Secretarial Standard-2 on General Meetings, a brief profile of the Directors proposed to be appointed/re-appointed/re-designated is made available, as a part of the Notice convening this AGM.

Pursuant to the provisions of Regulation 34(3) read with Schedule V to the Listing Regulations, the Company has obtained a Certificate from M/s Mehta & Mehta, Practising Company Secretaries (Firm Registration No P1996MH007500), the Secretarial Auditor of the Company, certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) or by the Ministry of Corporate Affairs or by any such statutory authority. The said Certificate is annexed to the Corporate Governance Report of the Company for the FY 2025-26.

Commission to Non-Executive Directors:

Your Directors at their meeting held on May 13, 2024, on the recommendation of the Nomination and Remuneration Committee, approved the proposal for payment of commission to Non-Executive Directors as a percentage of profit. The said proposal was approved by the Shareholders' at the Annual General Meeting held on August 07, 2024. The Non-Executive Directors of the Company are entitled to sitting fee and commission as per the statutory provisions and within the limits approved by the Shareholders which was approved by the Board of Directors as per the recommendation of the Nomination and Remuneration Committee.

Sr. No.	Name of the Director	Amount of Commission (In ₹)
1	Shri Rashesh C. Gogri	6,59,000
2	Shri Rajendra V. Gogri	5,67,000
3	Shri Parimal H. Desai	4,74,000
4	Dr. Vinay G. Nayak	8,82,000
5	Shri Bhavesh R. Vora	6,22,000
6	Prof Vilas G. Gaikar	6,59,000
7	Smt Rupal A. Vora	4,37,000
8	Smt Jeenal K. Savla	8,26,000
9	Shri Pradeep Thakur	4,00,000
10	Smt Nehal Garewal	4,00,000
TOTAL		**59,26,000**

II. Key Managerial Personnel

As on the date of this Report, the Key Managerial Personnel of the Company, in accordance with the provisions of Section 2(51) and Section 203 of the Act include:

1. Managing Directors;
   a. Smt. Hetal Gogri Gala (additionally she has also been designated as the Vice Chairperson)
   b. Shri Narendra J. Salvi
2. Shri Piyush Lakhani, Chief Financial Officer.
3. Shri Jeevan Mondkar, Company Secretary and Compliance Officer

Other than above, during the year under review, there was no change in the Key Managerial Personnel of the Company.

13. INDEPENDENT DIRECTORS

The Company has received requisite declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. These declarations include confirmations that they are not barred from holding the office of director by any SEBI order or any other authoritative body. In the opinion of the Board, all the Independent Directors satisfy the criteria of independence as defined under the Act, rules framed thereunder and the Listing Regulations, and that they are independent of the Management of the Company. Furthermore, they have affirmed their adherence to the Code of Conduct outlined in Schedule IV of the Act.

In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise, proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iii a) of the Companies (Accounts) Rules, 2014. In terms of the requirements under the Listing Regulations, the Board has identified a list of key skills, expertise and core competencies of the Board, including the Independent Directors, details of which are provided as part of the Corporate Governance Report.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules,

2014, all the Independent Directors (including those appointed during the year) have registered themselves with the Independent Directors Databank and also completed the online proficiency test conducted by the Indian Institute of Corporate Affairs.

Familiarisation Programme for Independent Directors

All the Independent Directors of the Company are made aware of their roles and responsibilities through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

The Senior Management makes presentations giving an overview of the Company's strategy, operations, products, markets in each Board Meeting.

Pursuant to Regulation 25(7) of the Listing Regulations, the Independent Directors of the Company were familiarised and the details of familiarisation programmes imparted to them during the year, are placed on the website of the Company and the web link at https://www.aartipharmalabs.com/regarding-independent-directors

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, the Directors of your Company, to the best of their knowledge and based on the information and explanations received from the Company, confirm that:

a) in the preparation of the Annual Financial Statements for the year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. ANNUAL PERFORMANCE EVALUATION

The Board of Directors has carried out an evaluation of its own performance, board committees, and individual Directors pursuant to the provisions of the Act and the SEBI Listing Regulations. A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The evaluation was undertaken by way of internal assessments, based on a combination of detailed questionnaires and verbal discussions.

The performance of the Committees and Independent Directors were evaluated by the entire Board of Directors except for the Director being evaluated. The performance evaluation of the Chairman, Non-Independent Directors and Board as a whole was carried out by the Independent Directors was carried out in a separate meeting of Independent Directors. The NRC and Board reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee meetings including preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

As per the evaluation results, the directors were satisfied with board effectiveness, experience, diversity, expertise, quality of board discussions and board meeting processes, etc. The Committees were also found to be effective in terms of their composition, functioning, competence of the members, compliance with statutory obligations, role and responsibilities and quality of discussions at the meetings.

The Board was satisfied that each director has diligently discharged their responsibilities as board member of the Company and had contributed meaningfully.

The Board of Directors expressed their satisfaction with the outcome of evaluation and the process followed thereof.

16. AUDIT COMMITTEE

The details of the composition of the Audit Committee, terms of reference, meetings held, etc. are provided in the Corporate Governance Report, which forms part of the Annual Report. During the year under review, there were no instances where the Board had not accepted any recommendation of the Audit Committee.

17. AUDITORS

a) Statutory Auditor and their Report

In accordance with the provisions of Section 139 of the Act, Gokhale & Sathe, Chartered Accountants (Firm Registration. No. 103264W) were appointed as the Statutory Auditors of the Company at the 4th AGM for a term of 5 (five) years to hold office till the conclusion of 9th AGM to be held in the year 2028.

The Statutory Auditors' Report forms part of the Annual Report. The said report does not contain any qualification, reservation or adverse remark for the year under review. During FY 2025-26, there were no instances of fraud which required the Statutory Auditors to report the same to the Central Government under Section 143(12) of Act and Rules framed thereunder.

b) Cost Auditor and their records

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and have them audited every year.

The Board of Directors had appointed Smt. Ketki D. Visariya, Cost Accountants (Membership No. 16028), as the Cost Auditor of the Company for the financial year 2026-27. The remuneration payable to the Cost Auditor is required to be ratified by the Shareholders. Accordingly, a resolution seeking Shareholder's ratification for the remuneration payable to Smt. Ketki D. Visariya, Cost Accountants, is included at Item No. 4 of the Notice convening the AGM.

The Company has maintained cost records as specified under section 148(1) of the Act.

c) Secretarial Auditor and their Report

On the recommendation of the Audit Committee and the Board, the shareholders at the 6th Annual General Meeting approved the appointment and remuneration of M/s Mehta & Mehta, Practising Company Secretaries (FRN: P1996MH007500) as the Secretarial Auditor for a term of Five years commencing from Financial year 2025-26.

Pursuant to provisions of Section 204(1) of the Act and Regulation 24A of the Listing Regulations, the Secretarial Audit Report for the Financial Year ended March 31, 2026 issued by CS Monali Bhandari (COP No. 10272), of M/s Mehta & Mehta, Practising Company Secretaries and the Secretarial Auditor of the Company in Form MR-3 is annexed as **Annexure-C** and forms an integral part of this Report. During the year under review, the Secretarial Auditor had not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

There is no qualification, reservation or adverse remark or disclaimer made by the Auditor in their report.

18. RISK MANAGEMENT

The Board of Directors of the Company has already formed a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company.The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness.

The Board takes responsibility for the overall process of risk management throughout the organisation. Through an Enterprise Risk Management programme, our business units and corporate functions address risks through an institutionalised approach aligned to our objectives.

A systematic review of risks identified is subject to a series of focused meetings of the. The Risk Management Committee meets periodically to review all the key risks and assess the status of mitigation measures.

Considering the volatility, uncertainties and unprecedented challenges involved in the businesses, the risk management function has gained more importance and it is imperative to manage and address such challenges effectively.

This is facilitated by an internal audit. The Business risk is managed through cross functional involvement and communication across businesses. The results of the risk assessment are presented to the senior management.

There have been no changes in our internal control over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting. The Company continuously strives to improve its Internal control system.

We continue to closely monitor, assess and implement mitigation plans in consideration of the turbulent geopolitical and economic landscape. This work is underpinned by foresight intelligence and scenario planning to look further ahead and build resilience to alternative futures. Our diverse global customer base gives us the flexibility to react to regional changes in demand by adjusting our sales mix into other markets,

while we may adjust product features or content should we face supply challenges informed through our enhanced supply chain risk management framework.

We continue to monitor and assess the global tariff environments to manage their ramifications as effectively as possible, and take mitigating actions such as implementing cost discipline, pricing actions, evaluate our offerings and improving geographical mix.

Risk Management is an integral and important aspect of Corporate Governance. Your Company believes that a robust Risk Management Framework ensures adequate controls and monitoring mechanisms for smooth and efficient running of the business. A risk-aware Company is better equipped to maximise shareholder value.

Your Company has always worked to be contemporary in the application of technology for its business processes and its interface, both within and outside the Company. Towards this end, review of business process, applications available and the digitisation of process with adequate controls is an ongoing work in progress. This calls for seamless integration with our consumers, customers and stakeholder operating ecosystems that can lead to a superior experience by improving agility and responsiveness across the business.

Cybersecurity is essential for any organisation to protect its digital assets from cyber-attacks, data breaches, and other security threats. Technology plays a critical role in cybersecurity and your Company has implemented several measures to enhance its Cybersecurity measures on the principles of Identify, Protect, Detect, Respond and Recover.

Your Board has adopted a Risk Management Policy, which is available on the Company's website at https://www.aartipharmalabs.com/investors/APL_Risk%20Management%20Policy.pdf

The details of the composition of the RMC, terms of reference, meetings held, etc. are provided in the Corporate Governance Report, which forms part of this Report.

19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has robust internal financial controls (IFC) systems, in line with the requirements of the Companies Act 2013. This system enhances transparency and accountability in the organisation's process of designing and implementing internal controls.

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.The Company continuously strives to improve its Internal control system.

The Company has a well-defined delegation of authority with specified limits for approval of expenditure, both capital and revenue.

The Company has appointed Manish Modi and Associates, Chartered Accountants as the Internal Auditor, who periodically audits the adequacy and effectiveness of the internal controls laid down by the Management and suggests improvements. This ensures that all Assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorised, recorded and reported diligently. Your Company's internal control systems are commensurate with the nature and size of its business operations. Internal Financial Controls are evaluated and Internal Auditors' Reports are regularly reviewed by the Audit Committee of the Board.

The Audit Committee also deliberates with the management and is satisfied with the adequacy and effectiveness of the internal financial control systems as laid down and kept the Board of Directors informed

The Statutory Auditors Report on Internal Financial Controls as required under Clause (i) of sub-section 3 of Section 143 of the Act is annexed with the Independent Auditors' Report.

20. RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and the Listing Regulations, the Company has a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions which is uploaded on the Company's website at https://www.aartipharmalabs.com/investors/apl-amended-rpt-policy-march-2026-final.pdf. During the year under review, this Policy was amended to incorporate the regulatory amendments. The Policy captures framework for Related Party Transactions and intends to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company or its subsidiaries on one side and Related Parties on the other, in compliance with the applicable laws and regulations as may be amended from time to time.

All transactions with related parties and subsequent material modifications, if any, are placed before the Audit Committee for its review and approval. An omnibus approval from the Audit Committee is obtained for the related party transactions which are repetitive in nature, based on the criteria approved by the Audit Committee. The Company has obtained prior approval from the Audit Committee for all related party transactions, except for transactions amounting to ₹ 5.16 Lakhs with one of the related parties, for which ratification was obtained subsequently. A statement of related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of transactions. A report of factual findings arising out of the accepted procedures carried out in regard to transactions with Related Parties is given by the Statutory Auditors on quarterly basis and the same is placed before the Audit Committee.

There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other Designated Persons which may have potential conflict with interest of the Company at large.

Since all related party transactions entered into by the Company were in ordinary course of business and were on an arm's length's basis, Form AOC–2 is not applicable to Company. Further, there were no material related party transactions in terms of the Listing Regulations requiring approval of the Shareholders during the year under review.

Pursuant to Regulation 23(9) of the SEBI Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchanges within statutory timelines. Besides, the details of related party transactions are provided in the accompanying financial statements.

21. NOMINATION AND REMUNERATION COMMITTEE ("NRC") AND NRC POLICY

Pursuant to Section 178(3) of the Act and Regulation 19 of Listing Regulations your Company has framed a policy on Directors' appointment and remuneration and other matters which is available on the website of your Company and link for the same is https://www.aartipharmalabs.com/investors/nomination-and-remuneration-policy-feb-2023.pdf

The Remuneration Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the NRC for identifying the persons who are qualified to become the Directors. Your Company's Remuneration Policy is directed towards rewarding performance based on review of achievements. The Remuneration Policy is in consonance with existing industry practice.

The composition of the Committee, attendance at its meetings and other details have been provided as part of the Corporate Governance Report.

Your Company has adopted a Nomination and Remuneration Policy ("Policy") which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also lays down criteria for selection and appointment of Board Members.

The Committee also plays an important role and is responsible for administering the Stock Options Scheme as applicable to the eligible employees of the Company.

22. PARTICULARS OF EMPLOYEES AND REMUNERATION

The information 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 is annexed as **Annexure-D** and forms an integral part of this Report. As per first proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the report and financial statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2). However, these are available for inspection during business hours up to the date of the forthcoming AGM at the registered office of the Company. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office address of the Company.

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

At Aarti Pharmalabs Limited (APL), our focus is "Right person for right job at right time", keeping this in mind we recruit people with the relevant experience and academic background and ensure long term engagement brings results in win-win situations for both employees as well as the organisation. We believe our people are assets in the organisation and invest quality time in nurturing their talent, improving productivity consistently and providing growth paths for them. People at APL are proud of their association with the Company.

We firmly believe that our people are our greatest strength and the key to our continued success. Guided

by this belief, our HR Department remains dedicated to attracting, developing, engaging, and retaining talent through people-centric policies and industry-leading practices. Our consistent focus on nurturing human capital enables us to deliver on our business goals while fostering a culture of trust, growth, and mutual success.

Empowering Our People Through Digital Transformation

Building directly upon the insights gathered from last year's comprehensive Employee Satisfaction Survey (ESS)—**which revealed a strong 75% employee satisfaction rate**—we transitioned from validation to targeted action this year. To sustain this momentum and honour our commitment to fostering a progressive, agile, and high-performance work culture, the organisation embarked on a milestone HR digitalisation journey.

We successfully rolled out a unified digital HR ecosystem, anchored by the implementation of **PMS (Performance Management System)**, a revamped **Reimbursement Module**, a dedicated **Mobile App**, and an advanced **Learning & Development (L&D)** platform.

- **Performance & Execution:** The automated Spine PMS has brought unprecedented transparency, alignment, and real-time tracking to our appraisal and goal-setting processes.
- **Efficiency & Accessibility:** The introduction of the new Reimbursement Module and the integrated Mobile App has eliminated administrative friction, offering our workforce seamless, on-the-go access to essential HR services.
- **Skill & Growth Culture:** The modern L&D platform ensures that continuous learning is democratised, empowering employees across all functions and locations to upskill at their own pace.

By converting our employees' aspirations into digital reality, we have not only simplified daily workflows but also deeply enhanced employee engagement, future-proofing our talent architecture for the growth ahead.

Performance Appraisals & Rewarding System

Recognising and rewarding performance in a fair and timely manner remains a cornerstone of our HR strategy. During the year, we ensured that all employees up to the manager level received timely performance evaluations and corresponding rewards in **April 2026**. For senior managers and above, appraisals were completed by **May 2026**. Notably, the average rewards provided were significantly higher than the previous year and exceeded the pharmaceutical industry benchmarks published in **Deloitte's 2025–26 Pharma Report**. This commitment to market-competitive recognition strengthens our employee value proposition and supports our efforts to attract and retain top talent. Additionally, the appraisal process identified key training needs, which are being addressed through targeted development programmes.

Attrition Management

The Company recognises that optimal workforce discipline and productivity are critical to sustaining operational excellence. Through an appropriate recruitment methodology, robust retention policies, and an enriching work environment, we have consistently strived to manage our talent architecture effectively during a period of market-wide talent mobility, with our attrition rate standing at 19.22% for 2025–2026. In response to this trend, we have proactively intensified our employee growth plans and modernised our people practices to raise retention standards. This transition reflects our focus on cultivating a high-performance culture, and the heightened sense of responsibility among our core teams continues to drive the organisation forward.

In addition, we are committed to promoting gender equality by increasing recruitment opportunities for women, both at our offices and factory locations. While the industry average for female representation stands at 27%, over the next two years we aim to significantly increase the number of female employees across all levels.

Proactive Leadership & Talent Management

The Company has customised its organisational structure to align with evolving business requirements and to provide clarity on roles and responsibilities within each function. We have placed strong emphasis on strengthening second-line leadership across all critical areas. During the year, we identified high-potential employees at various levels and invested in preparing them for larger roles and greater responsibilities. This structured approach to succession planning ensures organisational stability and enhances our readiness to meet future challenges effectively. Clear role definitions and functional targets further support accountability and performance.

Developing a sustainable talent pool remains a key priority for us. To this end, we successfully expanded our talent pipeline by recruiting 8% of our workforce as Graduate Engineer Trainees (GETs) in FY 2025–26. These young graduates undergo a structured onboarding programme, followed by continuous functional training modules to build the required competencies before they assume key roles within the Company. This initiative not only nurtures local talent near our manufacturing facilities but also contributes to reducing attrition by creating a steady pipeline of skilled professionals ready to step in as needed.

Employee Engagement Initiatives

At APL, we believe that an engaged workforce is more productive, innovative, and committed. To nurture this engagement systematically, we introduced a comprehensive annual event engagement calendar this year and drove all activities accordingly. This structured approach allowed us to successfully organise a variety of initiatives, including inter-unit sports tournaments, regional picnics, festival celebrations, Women's Day special events, and health & wellness camps. Additionally, we continue to honour local cultural traditions through site-specific poojas and gatherings, which strengthen team bonding and promote a deep sense of belonging. These efforts have played a vital role in enhancing employee morale and remain central to our long-term workforce retention strategies.

Way Forward

We believe that continuous learning and operational efficiency are key to staying ahead of the competition. To support this, we have systematically modernised our workplace tools by implementing a series of advanced modules within our integrated HRMS system, each delivering distinct strategic benefits:

- **Performance Management System (PMS):** Drives a high-performance culture by bringing absolute transparency, objective goal alignment, and real-time tracking to our appraisal processes.
- **Expenses & Reimbursement Module:** Maximises financial accuracy and slashes administrative turnaround times through automated, paperless claims processing.
- **Learning & Development (L&D) Module:** Centralises capability building, empowering our workforce across all locations with democratised access to continuous upskilling.
- **Dedicated Mobile App Service:** Promotes seamless, frictionless usage of HR services by giving employees instant, on-the-go access to their profiles, requests, and essential tools right from their smartphones.

Feedback on evolving learning and development needs is regularly captured through our self-appraisal system, ensuring that our ongoing training initiatives remain deeply relevant and impactful.

24. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure-E** and forms an integral part of this Report.

25. AARTI PHARMA PERFORMANCE STOCK OPTION PLAN 2023

Aarti Pharma Performance Stock Option Plan 2023 ("PSOP 2023") was approved by the shareholders at the 4th AGM of the Company held on September 14, 2023, under which stock options would be granted to the eligible employees in compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

During the year under review, the Company granted 42,000 options to eligible employees under PSOP 2023 as per the recommendation of the Nomination and Remuneration Committee, at its meeting held on May 10, 2025. Subsequent to March 31, 2026, the Company granted 57,600 options to eligible employees under PSOP 2023 as per the recommendation of the Nomination and Remuneration Committee, at its meeting held on May 25, 2026.

Your Company has received a certificate for FY 2025-26 from CS Monali Bhandari (COP No. 10272), M/s Mehta & Mehta, Practising Company Secretaries and the Secretarial Auditor of the Company that PSOP 2023 has been implemented in accordance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolution passed by the shareholders. Any request for inspection of the said Certificate may please be sent to investorrelations@aartipharmalabs.com

The details of the stock options granted under the PSOP Scheme and the disclosures in compliance with Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on the website of the Company at https://www.aartipharmalabs.com/investors/disclosure-under-reg-14-of-sebi-regulations-fy-2025-26.pdf

26. CORPORATE GOVERNANCE

Your Company upholds a strong corporate governance framework, built on the foundation of effective leadership, well-defined policies, streamlined processes, and a deeply ingrained legacy of values. The Board, in collaboration with the management team, establishes and drives the Company's principles, ensuring that business operations align with these core values. These ethics and standards are seamlessly woven into the Company's culture, business practices, disclosure policies, and stakeholder relationships, maintaining alignment with international best practices and exemplary corporate conduct.

Your Company has fully adhered to the mandatory Corporate Governance requirements outlined in the Listing Regulations. In compliance with Regulation

34 of the Listing Regulations, a dedicated Corporate Governance Report is annexed hereto, forming an integral part of this Report. Additionally, the requisite certification from M/s Mehta & Mehta, Practising Company Secretaries (Firm Registration No P1996MH007500) is attached to the Corporate Governance Report.

27. HEALTH AND SAFETY

At Aarti Pharmalabs Limited (APL), the health and safety of all stakeholders—including employees, contractors, customers, and visitors—stands as a fundamental organisational priority. By integrating safety into every facet of its operations, from research and development and manufacturing to supply chain management, the Company utilises advanced infrastructure, robust systems, continuous training programmes, and a deep-rooted safety culture. APL is committed to a proactive approach in identifying and mitigating risks to maintain a secure and compliant working environment across all sites throughout FY 2025–26.

Governance Mechanism

Aarti Pharmalabs Limited has implemented robust governance structures to manage its health and safety protocols. To facilitate employee involvement and equitable representation in safety-related decisions, EHS Committees have been established across all organisational levels. These groups are tasked with assessing risks, monitoring the completion of corrective measures, analysing incident data, and managing escalations. The Company adopts a methodical hierarchy for risk mitigation, focusing on elimination, substitution, and both engineering and administrative controls. Furthermore, a rigorous Permit to Work protocol is maintained for high-risk operations—including hot work, work at heights, and confined space entry—supported by definitive safety procedures and communication standards.

Occupational Health and Safety

Committed to high standards of occupational health and safety, Aarti Pharmalabs Limited (APL) aligns its operations with the ISO 45001:2018 framework. Through the Aarti Pharma Management System (APMS), the Company maintains an extensive Occupational Health and Safety Management System that applies to all employees, contractors, and visitors.

The system enforces critical protocols, including:

- Comprehensive training in chemical handling and the correct application of personal protective equipment (PPE).
- Strict adherence to established emergency response procedures.
- Proactive risk identification through regular safety drills, inspections, toolbox talks, and monthly campaigns.
- Mandatory medical screenings during onboarding and at periodic intervals to meet regulatory requirements.

To enhance timely risk mitigation, APL has further integrated a specialised software platform across its sites to efficiently identify and resolve potential workplace hazards.

Process Safety

To evaluate and control the risks associated with hazardous chemical handling, APL maintains a centralised Process Safety Laboratory utilising sophisticated technologies like Thermal Screening Units (TSu) and Reaction Calorimeter (RC1mx). This internal facility produces vital information regarding powder safety and reaction characteristics, guiding decisions for secure processing and plant engineering. The laboratory completed 468 TSu analyses, 132 RC1mx trials, and 133 evaluations of powder safety throughout FY 2025–26. APL employs a systematic four-tier framework for process safety risk assessment: Step 1 involves Process Safety Information; Step 2 covers Hazard Checklist & HIRA; Step 3 utilises HAZOP; and Step 4 encompasses PSSR. These stages are further supported by occupational exposure banding and methodologies such as FMEA, What-if analysis, and Fault Tree Analysis. Ongoing process safety expertise is developed across the workforce through a combination of internal and external training initiatives.

Safety Training

To cultivate a proactive safety culture, APL facilitates targeted and regular safety training initiatives for its workforce. These comprehensive programmes focus on safe work procedures, hazard identification, the application of safety signage, and emergency preparedness. During the 2025-26 fiscal year, the Company successfully executed 4,339 Occupational Health and Safety (OHS) training sessions.

Instructional delivery is managed by a combination of external consultants and internal specialists through various channels, including on-site safety displays, online meetings, and traditional classroom settings. Beyond formal training, APL reinforces safety awareness through practical emergency drills and dedicated safety campaigns. A key component of this culture is the empowerment of employees, who are encouraged to identify and report unsafe conditions and are authorised to halt operations if they encounter hazardous situations.

Contractor Health & Safety

To ensure all onsite activities are performed under authorised and regulated conditions, APL enforces rigorous safety standards for its contract workforce. These protocols encompass mandatory work permit systems for job authorisation and site access, comprehensive safety induction training, and pre-employment medical evaluations. The Company maintains close oversight of contractors to verify continuous adherence to established safety benchmarks.

Customer Health & Safety

Ensuring the well-being of its clients remains a primary objective for APL. The organisation maintains strict alignment with international product safety benchmarks, incorporating Globally Harmonised System (GHS) labels and comprehensive Material Safety Data Sheets (MSDS) into its operations. Furthermore, APL ensures its methodologies are consistent with the European Union's REACH standards. The success of these safety communication strategies and risk management procedures is demonstrated by the fact that no significant health or safety grievances were recorded from customers during the 2025–26 fiscal year.

Occupational Health Centres (OHC)

In accordance with regulatory requirements, Aarti Pharmalabs Limited (APL) delivers comprehensive on-site occupational health services across all its manufacturing and R&D facilities through dedicated Occupational Health Centres (OHCs). These centres are operated by qualified factory medical officers and nurses, providing continuous 24x7 medical support. A key focus of these OHCs is the management of health risks associated with noise-intensive machinery and exposures to corrosive chemicals, solvents, and powders. To support rapid emergency medical response, the facilities are equipped with first aid resources and onsite ambulances. Under the supervision of the Factory Medical Officer, employees undergo regular medical surveillance via annual or semi-annual health assessments, with follow-up care provided to support full rehabilitation. Furthermore, all OHCs have established mutual aid agreements with adjacent industries and local hospitals to enhance their emergency preparedness.

Incident Learning and Safety Culture

Through its monthly "Learning from Incidents" forum, APL cultivates a robust safety learning culture by reviewing and sharing incident details across all locations to avoid recurrence. The organisation institutionalises these lessons company-wide by assigning Global Corrective and Preventive Actions (CAPA). As an industry leader, APL also actively tracks potential incidents within peer sectors and proactively applies relevant CAPA to its own operations. Staff members are encouraged to provide safety input via internal software systems and anonymous suggestion boxes. Furthermore, transparent communication and individual accountability are promoted at every level through open forums such as Toolbox Talks.

ENVIRONMENT

Energy Conservation & Consumption

During the current fiscal year, our aggregate energy usage amounted to 68,166,861 gigajoules (GJ). Of this total consumption, renewable energy sources contributed 84,393.32 GJ. As a component of our enduring sustainability strategy, we have launched impactful programmes aimed at decreasing our reliance on traditional fossil fuels. A significant number of our facilities have moved away from furnace oil in favour of cleaner alternatives, successfully lowering our overall emissions. Furthermore, to advance our renewable energy objectives, we have begun sourcing solar-generated electricity for our Tarapur cluster from a dedicated plant in the Akola district of Maharashtra. This initiative is designed to utilise solar power to balance traditional energy consumption and foster a low-carbon operational framework throughout our entire value chain.

Hazardous Waste Management

Aarti Pharmalabs Limited employs a systematic and comprehensive waste management framework. We ensure that every type of waste—whether hazardous or non-hazardous—is meticulously segregated, recovered, or recycled in alignment with its specific chemical and physical characteristics. All disposal processes strictly adhere to prevailing environmental mandates. To minimise our ecological footprint and maximise resource recovery, we consistently evaluate and modernise our waste management protocols.

Water & Wastewater Management

During FY 2025-26, our aggregate water usage totaled 461885 kiloliters (KL). This volume was composed of both freshwater, primarily obtained from industrial providers, and recycled or recovered sources. Demonstrating our dedication to circular water management, recycled water accounted for an impressive 82.11% of our total consumption. We persist in refining our water stewardship by adopting sophisticated treatment methods. To ensure responsible wastewater management, we utilise high-efficiency systems such as Reverse Osmosis (RO) units, Multiple Effect Evaporators (MEEs), Mechanical Vapour Recompression (MVR), and Agitated Thin Film Dryers (ATFD). These technologies facilitate substantial water reclamation and minimise waste output. Furthermore,

a strict Zero Liquid Discharge (ZLD) mandate is applied across all production facilities, guaranteeing that no untreated effluent enters the environment and that our operational influence on water resources is kept to a minimum.

Product End-of-Life Management

A formal system is in place to manage the end-of-life phase for all items produced at our sites, with each product receiving a thorough shelf-life analysis driven by R&D research. We provide technical expertise and assistance for the secure, compliant treatment or disposal of expired goods when requested by clients. Additionally, our Extended Producer Responsibility (EPR) initiative facilitates the systematic collection and disposal of plastic packaging waste at the conclusion of its lifecycle.

Our robust lifecycle management and commitment to reducing environmental liabilities were evidenced in FY 2025–26, during which no instances of product end-of-life treatment were reported. This resulted in a zero environmental footprint within this specific category for the period.

28. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

The Listing Regulations mandate the inclusion of the Business Responsibility & Sustainability Reporting as part of the Annual Report for top 1,000 listed entities based on market capitalisation. BRSR for the year under review, as stipulated under Regulation 34(2)(f) of Listing Regulations is in a separate section forming part of the Annual Report.

29. VIGIL MECHANISM

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the Listing Regulations is implemented through the Company's Vigil Mechanism Policy. The said Policy of your Company is available on the Company's website at https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf

It enables the Directors, employees and all stakeholders of the Company to report genuine concerns (about unethical behaviour, actual or suspected fraud, or violation of the Code) and provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee.

No whistle-blower complaints have been received during the year under review.

30. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company believes that every woman employee should have the opportunity to work in an environment free from any conduct which can be considered as Sexual Harassment. The Company has Zero Tolerance towards sexual harassment at the workplace.

The Company is committed to treating every employee with dignity and respect. The Policy framed by the Company in this regard provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. The POSH Policy is gender inclusive and the framework ensures complete anonymity and confidentiality. The said Policy of your Company is available on the Company's website at https://www.aartipharmalabs.com/investors/prevention-of-sexual-harrasment-policy.pdf.

Internal Complaints Committees (ICC) has been set up to redress complaints received regarding sexual harassment.

During the year under review, your Company has not received any complaint pertaining to sexual harassment. Following is the details of complaints received, disposed and pending more than 90 days:

Number of sexual harassment complaints received during the financial year	Nil
Number of complaints disposed of during the year	Nil
Number of cases pending for more than 90 days	Nil

Additionally the Company has complied with the provisions of Maternity Benefit Act, 1961.

Pursuant to the requirements of Rule 8(2)(ii)(b) of the Companies (Accounts) Rules, 2014 (as amended), the Company confirms that it has duly complied with the provisions of the Maternity Benefit Act, 1961 during the financial year under review.

The Company remains committed to providing a supportive and inclusive workplace for all employees and has ensured that all benefits and safeguards under the said Act have been extended to eligible women employees.

Further, awareness sessions have been conducted to apprise employees of their rights, and appropriate internal systems have been maintained to facilitate timely disbursement of maternity benefits.

31. SECRETARIAL STANDARDS

The Company has generally complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2), issued by Institute of Company Secretaries of India

32. DETAILS OF DEPOSITS

During the year under review, your Company has neither invited nor accepted any deposits from the public falling within the ambit of Section 73 of the Act and the rules framed thereunder. The requisite return for FY 2025-26 with respect to amount(s) not considered as deposits has been filed.

BANK LOAN FACILITIES

Your Company continues to manage its treasury operations efficiently and has been able to borrow funds for its operations at competitive rates. Below are the details of Credit Ratings as on March 31, 2026:

Facilities	Long Term Issuers Rating and Bank Loan Ratings
Rating Agency	CRISIL Rating Limited
Rating	CRISIL AA-/ Stable

33. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company in Form MGT-7 for financial year 2025-26, is available on the Company's website at https://www.aartipharmalabs.com/investors/annual-return-fy-2025-26.pdf

34. INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

Pursuant to the demerger of pharma undertaking of Aarti Industries Limited during FY 2022-23, proportionate number of shares (i.e.3,13,656 shares) held by the shareholders of Aarti Industries Limited, which were then lying in the IEPF account, were credited to the IEPF demat account of the Company. As at March 31, 2026, 3,06,173 (Three Lakhs Six Thousand One Hundred and Seventy Three) equity shares are lying with IEPF. The Final Dividend for FY 2024-25 and Interim Dividend for FY 2025-26 accrued on such shares was credited to the designated bank account of the IEPF authority. Further, the final dividend for FY 2025-26, if approved by the shareholders at the ensuing AGM, shall be credited to the designated bank account of the IEPF authority.

Except for the above, no amount is due to be transferred to the IEPF Account.

35. COMPLIANCE MANAGEMENT SYSTEM

Your Company has deployed a Statutory Compliance Mechanism providing guidance on broad categories of applicable laws and processes for monitoring compliance.

In furtherance to this, your Company has instituted an online compliance management system within the organisation to monitor compliances and provide updates to the senior management on a periodic basis.

The Audit Committee and the Board periodically monitor the status of compliances with applicable laws.

36. SWAYAM INVESTOR SELF-SERVICE PORTAL

'SWAYAM' is a secure, user-friendly web-based application, developed by "MUFG Intime India Private Limited" (Formally known as "Link Intime India Pvt Ltd."), our Registrar and Share Transfer Agents, that empowers shareholders to effortlessly access various services. This application can be accessed at https://swayam.in.mpms.mufg.com/

37. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations.

38. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no other material changes and commitments affecting the financial position of the Company, which had occurred between the end of the Financial Year to which these financial statements relate and the date of the Report.

39. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE FINANCIAL YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the FY 2025-26, there was no application made and proceeding initiated / pending by any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016 ("the Code").

Further, there is no application or proceeding pending against your Company under the Code.

40. DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the FY 2025-26, the Company has not made any settlement with its bankers for any loan/ facility availed or/and still in existence.

41. GENERAL DISCLOSURES

The Managing Director(s) have not received any remuneration or commission from the subsidiary of your Company.

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme save and except Employees Stock Option Schemes (ESOP) referred to in this Report.
3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription / purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Act).
4. There has been no change in the nature of business of your Company.
5. There was no revision of financial statements and Board's Report of your Company during the year under review.

42. ACKNOWLEDGEMENT

The Board of Directors place on record its sincere appreciation for the dedicated services rendered by the employees of the Company at all levels and the constructive cooperation extended by them. Your Directors would like to express their grateful appreciation for the assistance and support by all Shareholders, Government Authorities, Auditors, Financial Institutions, Customers, Employees, Suppliers, other business associates and various other stakeholders.

For and on behalf of the Board
Aarti Pharmalabs Limited

Narendra J. Salvi
Managing Director
DIN: 00299202

Hetal Gogri Gala
Vice Chairperson and Managing Director
DIN: 00005499

Place: Mumbai
Date: August 07, 2026

ANNEXURE-A

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

PART "A": SUBSIDIARIES

Number of Subsidiaries : 2

₹ in Lakhs

Particulars	Details	
CIN/ any other registration number of Subsidiary Company	U24290MH2019PLC333628	1954413
Name of Subsidiary	Aarti Pharmachem Limited	Aarti USA Inc.
The date since when subsidiary was acquired	July 01, 2021	July 01, 2021
Provisions pursuant to which the Company has become a subsidiary (section 2 (87)(i)/section 2(87)(ii)	Section 2(87)(ii)	Section 2(87)(ii)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	March 31, 2026	March 31, 2026
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable	The Financial Statement of Aarti USA Inc whose reporting currency is other than INR are converted into Indian Rupees on the basis of appropriate exchange rate as per the applicable Accounting Standard. US$ 1 = ₹ 94.84.
Share capital	25.00	1.00
Reserves and surplus	(4.96)	(6.66)
Total assets	20.40	13.93
Total Liabilities	0.36	19.60
Investments	0	1.88
Turnover	0	23.39
Profit before taxation	(0.52)	(3.15)
Provision for taxation (net)	0	.20
Profit after taxation	(0.52)	(3.35)
Proposed Dividend	0	0
Extent of shareholding (in percentage)	100%	100%

No. of subsidiaries which are yet to commence operations: **Not applicable**

No. of subsidiaries which have been liquidated or sold during the year: **Not applicable**

PART "B" – ASSOCIATES AND JOINT VENTURES

Number of Associates /Joint venture: 1

Sr. No.	Particulars	Details
1.	Name of the Joint Venture	Ganesh Polychem Limited
2.	Latest audited Balance Sheet date	March 31, 2026
3.	Date on which the Joint Venture was associated or acquired	From the beginning of the Financial Year i.e. April 01, 2025
4.	Shares of Joint Venture held by the Company on the year end	
A.	No. of Shares held	3098257
B.	Amount of Investment in Joint Venture	₹ 1260.86 Lakhs
C.	Extent of holding %	50%
5.	Description of how there is significant influence	By way of shareholding
6.	Reason why the associate/joint venture is not consolidated	Not applicable
7.	Networth attributable to shareholding as per latest audited Balance Sheet	₹ 16,206.60 Lakhs
8.	Profit or Loss for the year	
A.	Considered in Consolidation	₹ 978.89 Lakhs
B.	Not Considered in Consolidation	-

Names of associates or joint ventures which are yet to commence operations: **Not applicable**

Names of associates or joint ventures which have been liquidated or have ceased to be associated or Joint Venture during the year: **Not applicable**

For and on behalf of the Board
Aarti Pharmalabs Limited

Hetal Gogri Gala
Vice Chairperson and Managing Director
DIN: 00005499

Narendra J. Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary and Legal Head
ICSI M. No. A22565

Place: Mumbai
Date: August 7, 2026

ANNEXURE-B

THE ANNUAL REPORT ON CSR ACTIVITIES CARRIED OUT DURING FY 2025-26

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The CSR initiatives undertaken by your Company upholds the principles of a responsible corporate citizen and aims to distribute the economic benefits derived by it through active collaboration with credible institutions by contributing to the social and economic development of the communities in which it operates.

The Company's policy on CSR, sets out a statement containing the approach and direction given by the Board of Directors after taking into account the recommendations of its CSR Committee and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

This policy is framed pursuant to Section 135 of the Companies Act, 2013 read with the Rules made thereunder as amended time to time.

2. COMPOSITION OF CSR COMMITTEE

The Composition of the CSR Committee as on the date of this report is as follows:

Sr. No	Name of Director	Designation	Nature of Directorship	Number of meetings of CSR Committee held	Attendance at the Meeting
1.	Smt Hetal Gogri Gala	Chairperson	Vice Chairperson & Managing Director	One Meeting was held on April 16, 2025	Yes
2.	Shri Rajendra V. Gogri	Member	Non-Executive Director		Leave of Absence
3.	Smt Jeenal K. Savla	Member	Independent Director		Yes
4.	Prof Vilas G. Gaikar	Member	Independent Director		Yes

3. DISCLOSURES AT WEB LINK

The composition of the CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company www.aartipharmalabs.com

CSR Committee - https://www.aartipharmalabs.com/investors/composition-of-committees.pdf

CSR Policy - https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf

CSR Projects approved by Board - https://www.aartipharmalabs.com/csr

4. EXECUTIVE SUMMARY ALONG WITH THE WEB LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

In pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the impact assessment of CSR projects undertaken by the Company during FY 2025-26, is not applicable.

However, project wise amounts spent together with the lives impacted thereby have been covered later in this report.

5. (a)	Average net profit of the Company as per sub-section (5) of section 135: -	₹ 2,81,40,55,542
(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135: -	₹ 56,281,111
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: -	Nil
(d)	Amount required to be set-off for the financial year, if any: -	Nil
(e)	Total CSR obligation for the financial year [(b)+(c) - (d)]: -	₹ 56,281,111

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): - ₹ 56,520,000

(b) Amount spent on Administrative Overheads: - Nil

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: - ₹ 56,520,000

(e) CSR Amount spent/ Unspent for the Financial Year

Total Amount Spent for the Financial Year (₹ in Lakhs)	Total Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
565.20	Not Applicable				

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

Sr. No.	Particulars	Amount in ₹
(i)	Two percent of average net profit of the Company as per section 135(5)	56,281,111
(ii)	Total amount spent for the Financial Year	56,520,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,38,889
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,38,889

7. **DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:**

Sr. No.	Preceding financial year(s)	Amount transferred to unspent CSR account under sub-section (6) of Section 135 (₹ in Lakhs)	Balance amount in unspent CSR account under sub-section (6) of Section 135 (1) (₹ in Lakhs)	Amount spent in the financial year (₹ in Lakhs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years (₹ in Lakhs)	Deficiency, if any
					Amount (₹ in Lakhs)	Date of Transfer	Date of Transfer	
Not Applicable, since there is no Unspent CSR Amount for the preceding three financial years								

8. **WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:** No.

If Yes, enter the number of Capital assets created/ acquired: - Not Applicable

9. **SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB- SECTION (5) OF SECTION 135: -** Not Applicable

For and on behalf of the Board
Aarti Pharmalabs Limited

Hetal Gogri Gala
Chairperson of the Committee
DIN: 00005499

Rajendra V. Gogri
Director
DIN: 00061003

Place: Mumbai
Date: August 07, 2026

ANNEXURE-C

MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2026

(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,
Aarti Pharmalabs Limited
Plot No. 2/C/1 & 22/C/2, 1st Phase,
G.I.D.C. Vapi, Valsad, Vapi, Gujarat, India,396195

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aarti Pharmalabs Limited** (CIN: **L24100GJ2019PLC110964**) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Financial year ended **March 31, 2026** 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, Statutory Register and returns filed and other records maintained by Company for the period ended on as stated above to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, to the extent applicable

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent applicable, relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not applicable to the Company during the Audit period**)

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit period)**

e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not applicable to the Company during the Audit period**)

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

h) 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;

i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not applicable to the Company during the Audit period**)

j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism

formed by the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

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 the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

We further report that based on review of compliance system prevailing in the Company, of the opinion that the Company has adequate systems and processes in place commensurate with its size and nature of operations to monitor and ensure compliance with the following laws applicable specifically to the Company:

(a) Drugs & Cosmetics Act, 1940 and rules made thereunder;

(b) Narcotic Drugs and Psychotropic Substances Act, 1985;

(c) The Insecticides Act, 1968;

(d) Explosives Act, 1884 and Rules made thereunder;

(e) Air (Prevention and Control of Pollution) Act, 1981;

(f) Water (Prevention and Control of Pollution) Act, 1974;

(g) The Noise (Regulation and Control) Rules, 2000;

(h) Environment Protection Act, 1986 and other environmental laws;

(i) The Indian Boilers Act, 1923 & The Indian Boilers Regulations, 1950;

(j) Public Liability Insurance Act, 1991; and

(k) Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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/s are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those meetings held at a shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meeting are carried by the consent of the requisite majority Board members and are recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that during the FY 2025-26, a separate meeting of Independent Directors was held, as per the provisions of Schedule IV to the Companies Act, 2013.

We further report that the audited financial statements of the Company for the year ended March 31, 2026 are subject to the qualifications, reservations or adverse remarks, if any, contained in the Independent Auditors' Report.

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.

For **Mehta & Mehta**
Company Secretaries
(ICSI Unique Code P1996MH007500)

CS Monali Bhandari
Partner
ACS No: 27091
CP No.: 10272
UDIN: A027091H001042842

Place: Mumbai
Date: 07.08.2026

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

'Annexure A'

To,
The Members,
Aarti Pharmalabs Limited
Plot No. 2/C/1 & 22/C/2, 1st Phase,
G.I.D.C. Vapi, Valsad, Vapi, Gujarat, India,396195

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

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

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

CS Monali Bhandari
Partner
ACS No: 27091
CP No.: 10272
UDIN: A027091H001042842

Place: Mumbai
Date: 07.08.2026

ANNEXURE-D

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2025-26 as well as the percentage increase in remuneration of each Director, CEO, Chief Financial Officer and Company Secretary are as under:

[Explanation - (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values.]

Name of Director / Key Managerial Personnel	Ratio to Median Remuneration	% increase in remuneration over previous year
Managing Directors		
Smt Hetal Gogri Gala	159.4:1	(25.35%)
Shri Narendra J. Salvi	59.1:1	47.36%
Non- Executive Directors		
Shri Rashesh C. Gogri	1.8:1	(23.23%)
Shri Rajendra V. Gogri	1.5:1	(23.70%)
Shri Parimal H. Desai	1.3:1	(28.44%)
Dr. Vinay G. Nayak	2.4:1	(25.05%)
Shri Bhavesh R. Vora	1.7:1	(42.60%)
Prof Vilas G. Gaikar	1.7:1	(33.68%)
Smt Rupal A. Vora	1.2:1	(27.33%)
Smt Jeenal K. Savla	2.2:1	(30.78%)
Smt Nehal Garewal	1.1:1	(15.38%)
Shri Pradeep Thakur	1.2:1	(15.15%)
Key Managerial Personnel		
Shri Piyush P Lakhani		37.95%
Shri Jeevan Mondkar		

Notes:

1. The Non-Executive Directors were paid remuneration in the form of commission and sitting fees for attending the meetings of the Board and/or Committees held during the year.
2. Shri. Jeevan Mondkar was employed for part of the previous financial year and hence the field of % increase in remuneration is not applicable.
3. The Median Remuneration of employees of the Company during FY 2025-26 was ₹ 4,83,568.

B. The percentage increase in the median remuneration of employees in FY 2025-26: 2.75%.

C. The number of permanent employees on the rolls of the Company as on March 31, 2026: 2413 nos.

D. Average percentile increase already made in the salaries of employees other than 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:

Particulars	% Change in remuneration
Average increase in salary of employees (other than Managerial Personnel*)	19.80%
Average increase in remuneration of Managerial Personnel*	24.35%

Note: 'Managerial Personnel' means employees belong to categories such as Key Managerial Personnel, Senior Management and Senior Leaders but does not include executive Directors of the Company.

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

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other employees is as per Remuneration Policy of the Company.

For and on behalf of the Board
Aarti Pharmalabs Limited

	Narendra J. Salvi	**Hetal Gogri Gala**
Place: Mumbai	Managing Director	Vice Chairperson and Managing Director
Date: August 07, 2026	DIN: 00299202	DIN: 00005499

ANNEXURE-E

A) ENERGY CONSERVATION

Aarti Pharmalabs Limited remains dedicated to operating with peak efficiency and the utmost care. Our mission is centred on fostering a sustainable future and improving global quality of life, which we pursue by actively reducing our environmental footprint and improving eco-effectiveness across our entire business.

To fulfill these objectives, we have deployed specialised utility expert teams at each site. These professionals are responsible for the design and implementation of energy-saving programmes that conserve natural resources and lower our carbon emissions. Our approach to energy conservation is built upon a robust three-pillar strategy: eliminating energy leaks, optimising existing equipment and processes, and integrating advanced, high-efficiency technologies.

Our dedication to energy efficiency is anchored by validated reduction goals endorsed by the Science Based Targets initiative (SBTi). These benchmarks enable us to organise and prioritise initiatives with precise schedules and quantifiable results. To achieve these objectives, we have implemented several strategic measures:

- **Retrofitting and Modernisation:** We have carried out significant retrofitting activities, integrating modern, energy-efficient equipment and devices into our operations.
- **Energy Recovery:** Waste heat recovery systems have been established to capture and repurpose energy that would typically be dissipated.
- **Operational Optimisation:** We proactively identify and address operational inefficiencies that could otherwise impede our conservation progress.

Throughout the 2025–26 financial year, we effectively implemented various energy conservation projects across our locations. A key achievement was the deployment of a solar power facility at Akola, Maharashtra, which possesses an annual generation capacity of 26.88 GWh. This installation currently provides renewable energy to our Maharashtra-based operational units. Furthermore, we introduced green-fuel (briquette) boilers at two primary sites in Tarapur, Maharashtra, notably lowering our dependence on fossil fuels for steam production. Additional strategic efforts included reaching a unity power factor, substituting aging pumps with high-efficiency alternatives, transitioning to LED lighting, and implementing day timers for efficient streetlight management. We also integrated variable frequency drives (VFDs) into blowers and vacuum pumps, along with pressure transmitter interlocks for air compressors, to enhance energy oversight and operational effectiveness. These combined initiatives have resulted in substantial energy reductions.

We have deployed cogeneration power plants and Mechanical Vapour Recompression (MVR) systems across various sites to further enhance our energy efficiency. These installations allow us to optimise coal usage and facilitate the repurposing of steam for both internal processes and power generation. By recovering and utilising waste heat, we fulfill a portion of our steam needs while markedly lowering carbon emissions. In pursuit of our long-term sustainability goals, we remain focused on investigating innovative technologies. This includes the successful implementation of PVA Gel technology at our Gujarat plant, which has effectively decreased electricity usage and hazardous waste production; we now intend to expand this technology to additional locations.

To minimise our environmental footprint, we have deployed new Piped Natural Gas (PNG) boilers at our Dombivli locations to support our current Vapi facility. Additionally, one of our Tarapur sites has transitioned from conventional coal to bio-briquettes for boiler steam generation. In an effort to mirror commercial-scale reactor conditions, we transitioned from traditional oil bath systems to single fluid heating and cooling technology. Furthermore, our Tarapur site now utilises a non-contact steam ejector that achieves 100% condensate recycling, leading to a significant decrease in coal usage. We have also enhanced operational efficiency by replacing standard Filter Press systems with Screw Press Filters at our Dombivli and Tarapur facilities, resulting in marked energy and cost savings—a technology we are currently deploying across other locations.

Aarti Pharmalabs Limited remains at the forefront of energy conservation through deliberate strategy and technological advancement, consistently striving for a more sustainable and efficient operational future.

Additional Investments & Proposals, if any, being implemented for Reduction of Consumption of Energy:

To further our energy conservation efforts and minimize our ecological impact, we have slated the following investments for the upcoming years:

- Deploying a solar energy system for the Gujarat cluster, planned in FY 26-27.
- Integrating SCALEBAN technology into the make-up water lines of our cooling towers to decrease water treatment requirements in MEE, thereby facilitating steam conservation.

B) TECHNOLOGY ABSORPTION, ADAPTION, AND INNOVATION

We are embracing advanced technologies such as flow chemistry, packed bed catalytic reactions using fixed bed reactors, and peptide chemistry to enhance process efficiency and innovation.

The adoption of chiral catalysts is another key advancement, improving atom economy and enabling zero-effluent processes. This not only boosts process sustainability but also aligns with our commitment to environmentally responsible manufacturing.

Benefits derived as a result of above efforts:

- Reduction in product manufacturing costs
- Minimisation of carbon emissions, waste, and effluents
- Improvement in overall process efficacy and sustainability

Expenditure incurred on Research and Development:

(₹ In Lakhs)

	FY 2025-26	FY 2024-25	FY 2023-24
Revenue (Intangible)	3,893.80	4184.10	4,318.09
Capital (incl. of WIP)	1,060.23	493.94	2107.49
Total	**4,954.03**	**4678.04**	**6,425.58**

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings and Outgo were ₹ 100,556.00 Lakhs & ₹ 31,099.00 Lakhs respectively (previous year ₹ 92,361.80 Lakhs & ₹ 33,480.00 Lakhs respectively).

For and on behalf of the Board
Aarti Pharmalabs Limited

Narendra J. Salvi
Managing Director
DIN: 00299202

Hetal Gogri Gala
Vice Chairperson and Managing Director
DIN: 00005499

Place: Mumbai
Date: August 07, 2026

CORPORATE GOVERNANCE REPORT

The Company's Report on Corporate Governance for the financial year ended March 31, 2026 ("year under review" and "FY 2025-26"), is in compliance with the principles of Corporate Governance as prescribed in Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations").

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance and your Company's actions are governed by Values and Code of Conduct. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long term shareholder value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics. Your Company has an unwavering focus on sustainability, transparency, and safety, thereby making it a truly responsible Company towards its stakeholders.

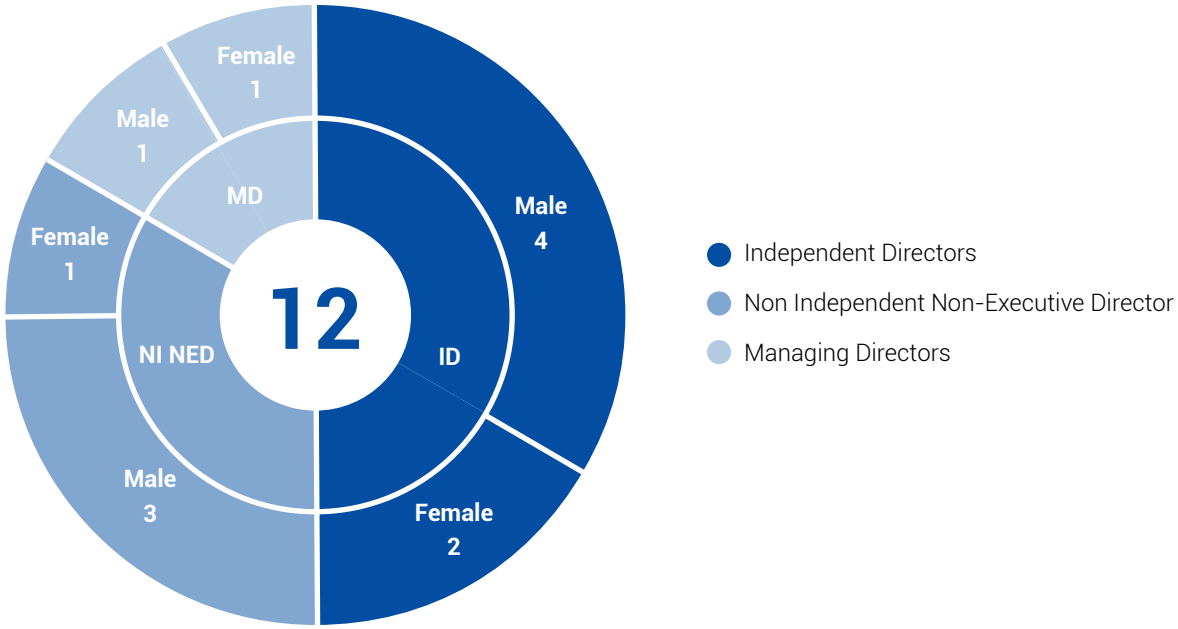
Our corporate governance reflects our value system, encompassing the culture, policies, and relationships with our stakeholders. Care, Integrity and Excellence are the key pillars of our corporate governance practices and performance. We endeavor to always gain and retain the trust of the stakeholders. We ensure this by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. These governance practices help us enhance the long-term interest of stakeholders and enable us to catalyse a healthier tomorrow.

Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

II. BOARD OF DIRECTORS

1. As on March 31, 2026, the composition of the Board, was as follows;

Category	Directors		Gender Diversity			
			Male		Female	
	Nos	%	Nos	%	Nos	%
Independent Directors	6	50	4	33.33	2	16.67
Non Independent Non-Executive Director	4	33.33	3	25	1	8.33
Managing Directors	2	16.67	1	8.33	1	8.33



The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Sections 149 and 152 of the Companies Act, 2013 ("the Act").

2. None of the Directors on the Board:
   - hold directorships in more than ten (10) public companies;
   - serve as Directors or as Independent Directors in more than seven (7) listed entities; and
   - who are the Executive Directors serve as Independent Directors in more than three (3) listed entities;

   Necessary disclosures regarding Committee positions in other public companies as on March 31, 2026, have been made by the Directors. Further, all the Directors have confirmed that they are not Members of more than ten (10) committees or do not act as Chairman of more than five (5) committees across all the public limited companies in which they are a Director. For the purpose of determining the limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

3. The Independent Directors declare that they meet the criteria of independence as specified under Section 149(6) of the Act and the Listing Regulations. The Board further confirms that the Independent Directors fulfill the conditions specified in terms of the Act and the Listing Regulations and that they are Independent of the management of the Company. Further, in terms of Regulation 25(8) of Listing Regulations, the Independent Directors are not aware of any circumstance or situation which exists or could be reasonably anticipated that would impair or impact their ability to discharge their duties. Independent Directors are appointed for a tenure not exceeding five years and are eligible for re-appointment for an additional term.

4. Minimum four (4) Board Meetings are held every year (once every quarter) and the interval between two meetings is well within the maximum period prescribed. Additional Board Meetings are convened to address the specific needs of the Company. The Company sends the notice of the meetings accompanied by agenda and agenda notes setting out the business to be transacted at the meetings to the Directors, at least seven (7) days in advance except in case of shorter notice to transact urgent business. The Company Secretary sets the agenda in consultation with the Chairman and Vice Chairperson and Managing Director and ensures appropriate recording of minutes of the meetings.

   The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning of the Board is democratic. Members of the Senior Management team are invited to attend the Board Meetings, who provide additional inputs to the agenda items discussed by the Board.

   The Directors take an active part in the deliberations at the Board and Committee meetings and provide guidance and advice to the management on various aspects of business, strategy, governance, risk and compliance to ensure the fulfilment of stakeholder expectations and long-term value creation.

   Your Directors are encouraged to be present in the meetings of the Board. During the year under review, five (5) meetings of the Board were held on May 10, 2025, August 12, 2025, November 09, 2025, February 09, 2026, March 16, 2026. All necessary information including but not limited to those mentioned in Part A of Schedule II to the Listing Regulations, are placed before the Board.

Name	Number of Shares held as on March 31, 2026 along with % of paid up share capital	Attendance in Board Meeting	Attendance at the AGM held on September 22, 2025	Number of Directorship in Listed Companies excluding Aarti Pharmalabs Limited	Directorship in Listed Companies	Category		Statutory Committees[$]					Number of Committee Positions as required under Regulation 26(1)(b) of the Listing Regulations as on 31 March 2026	
						ED/NED/ID		AC	NRC	SRC	CSRC	RMC	Chairperson	Member
Shri Rashesh C. Gogri DIN: 00066291	38,34,404 (4.23%)	5	Yes	2	Aarti Industries Limited	PG	ED	M	-	M	-	M	0	3
					Aarti Pharmalabs Limited	PG	NED	-	M	-	-	C		
					Aarti Drugs Limited	PG	ED	M	-	-	M	M	1	2
Smt. Hetal Gogri Gala DIN: 00005499	28,15,612 (3.11%)	5	Yes	1	Aarti Industries Limited	PG	NED	-	-	C	C	M		
					Aarti Pharmalabs Limited	PG	ED	M	-	-	C	M		
Shri Narendra J. Salvi DIN: 00299202	19,145 (0.02%)	5	Yes	1	Aarti Pharmalabs Limited	-	ED	M	-	M	-	M	0	3
					Aarti Drugs Limited	-	NED	-	-	M	-	-		
Shri Rajendra V. Gogri DIN: 00061003	14,25,900 (1.57%)	5	Yes	3	Aarti Industries Limited	P	ED	M	M	M	-	C	2	5
					Aarti Pharmalabs Limited	P	NED	-	-	C	M	M		
					Prince Pipes and Fittings Limited	-	ID	M	C	-	-	-		
					Gala Precision Engineering Limited	-	-	-	-	C	-	-		

Name	Number of Shares held as on March 31, 2026 along with % of paid up share capital	Attendance in Board Meeting	Attendance at the AGM held on September 22, 2025	Number of Directorship in Listed Companies excluding Aarti Pharmalabs Limited	Directorship in Listed Companies	Category		Statutory Committees$					Number of Committee Positions as required under Regulation 26(1)(b) of the Listing Regulations as on 31 March 2026	
						ED/NED/ID		AC	NRC	SRC	CSRC	RMC	Chairperson	Member
Shri Parimal H. Desai DIN: 00009272	3,49,571 (0.39%)	4	Yes	2	Valiant Organics Limited	-	ED	M	-	-	M	C	0	1
					Aarti Pharmalabs Limited	P	NED	-	-	-	-	M		
					Aarti Surfactants Limited	P	NED	-	-	-	-	M		
Dr. Vinay G. Nayak DIN: 02577389	Nil	5	Yes	0	Aarti Pharmalabs Limited	-	ID	M	M	-	-	M	0	1
Shri Bhavesh R. Vora DIN: 00267604	Nil	5	Yes	0	Aarti Pharmalabs Limited	-	ID	C	-	M	-	-	1	2
Prof Vilas G. Gaikar DIN: 00033383	Nil	4	Yes	0	Aarti Pharmalabs Limited	-	ID	M	-	-	M	-	0	1
Smt. Rupal A. Vora DIN: 07096253	Nil	4	Yes	5	Aarti Pharmalabs Limited	-	ID	-	-	M	-	-	4	10
					Walchandnagar Industries Limited	-	ID	M	M	C	C	-		
					GeeCee Ventures Limited	-	ID	M	C	-	C	-		
					Winro Commercial (India) Limited	-	ID	C	C	-	-	M		
					Saraswati Commercial (India) Limited	-	ID	C	M	M	M	M		
					Sanathan Textiles Limited	-	ID	-	M	M	M	-		

Name	Number of Shares held as on March 31, 2026 along with % of paid up share capital	Attendance in Board Meeting	Attendance at the AGM held on September 22, 2025	Number of Directorship in Listed Companies excluding Aarti Pharmalabs Limited	Directorship in Listed Companies	Category		Statutory Committees[$]					Number of Committee Positions as required under Regulation 26(1)(b) of the Listing Regulations as on 31 March 2026	
						ED/NED/ID		AC	NRC	SRC	CSRC	RMC	Chairperson	Member
Smt. Jeenal K. Savla DIN: 07545244	Nil	5	Yes	0	Aarti Pharmalabs Limited	-	ID	M	C	-	M	-	1	2
Shri Pradeep Thakur DIN:00685992	Nil	5	Yes	2	Anuh Pharma Ltd	-	ID	M	-	-	-	-	0	3
					Aarti Pharmalabs Limited	-	ID	-	-	-	-	-		
					Indo Amines Ltd	-	ID	M	M	M	-	-		
Smt. Nehal Garewal DIN: 01750146	11,22,487 (1.24%)	5	Yes	0	Aarti Pharmalabs Limited	PG	NED	-	-	-	-	-	0	0

P- Promoter; PG - Promoter Group; ED - Executive; NED - Non-Executive; ID - Independent Director;

Shri. Rashesh C. Gogri, Chairman is the brother of Smt. Hetal Gogri Gala, Vice-Chairperson and Managing Director and nephew of Shri. Rajendra V. Gogri, Non-Executive Director of the Company. Accordingly Shri. Rashesh C. Gogri, Smt. Hetal Gogri Gala and Shri. Rajendra V. Gogri are related to each other. None of the other Directors and Key Managerial Personnel are related to each other.

AC - Audit Committee; NRC - Nomination & Remuneration Committee; CSRC - Corporate Social Responsibility

Committee; SRC - Stakeholders' Relationship Committee;

RMC - Risk Management Committee; M - Membership; C - Chairmanship

[$] Only details of Listed Companies are included here.

5. No of Shares held by Non Executive Directors

Sr. No.	Name of the Non Executive Director	No. of Shares held as on 31st March 2026
1	Shri. Rajendra V. Gogri	14,25,900
2	Shri. Rashesh C. Gogri	38,34,404
3	Smt. Nehal Garewal	11,22,487
4	Shri. Parimal H. Desai	3,49,571

6. During FY 2025-26, one (1) meeting of the Independent Directors was held on March 16, 2026. All the Independent Directors were present for this meeting. The Independent Directors at the said meeting reviewed the performance of:

   a. Non-Independent Directors and the Board as a whole;

   b. The Chairman of the Company;

   c. Succession planning; and

   d. The quality, quantity, 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 suggestions received from Independent Directors were shared with the Board for implementation.

7. **Familiarisation Programme:**

   The Company arranges detailed presentations at the Board meetings to familiarise Independent Directors with the Company's business, strategy, annual plan and budget, operations, etc. During the year a webinar on SEBI (Prohibition of Insider Trading) Regulations, 2015 was also organised to update their knowledge on the said regulations. Besides, plant visit and visit to CSR sites were also organised during the year. Periodic updates, strategic updates including press releases and other intimations submitted with the Stock Exchanges are shared with the Board members to keep them abreast of the material developments relating to the Company.

   Details of familiarisation programmes in terms of programmes attended and hours spent as imparted to Independent Directors are disclosed on the Company's website at https://www.aartipharmalabs.com/regarding-independent-directors.

8. The Board periodically reviews the compliance reports of all laws applicable to the Company.

9. **Particulars of Senior Management:**

Sr. No.	Name	Designation
1	Dr. BS Patravale	R&D/ President
2	Shri Suresh Khimasia	Manufacturing/ General Manager
3	Shri G.M. Naidu	Manufacturing/ Sr. General Manager
4	Shri Mayur Jasani	General Manager/ Quality Assurance / Quality Control
5	Shri Shyamsunder Desai	Quality Assurance/ Sr. General Manager
6	Dr. S. Subramanian	Regulatory Affairs/ Sr. General Manager
7	Shri Harshul Patel	Business/ Senior Manager
8	Shri Jasmin Mehta	Business/ Head Business Development and Direct Procurement
9	Shri Sudhakar Shetty	HR & Admin/ Sr. General Manager
10	Dr. Jitesh P	Sr. General Manager
11	Shri Vijay Nisar	Director/ Manufacturing
12	Shri Harsh Shroff	Deputy General Manager
13	Shri Dinesh Thokade	Deputy General Manager
14	Shri Manoj Singh Bhadoria	General Manager
15	Shri Ravindra Gurav	General Manager

Sr. No.	Name	Designation
16	Shri Piyush Lakhani	Chief Financial Officer
17	Shri Jeevan Mondkar	Company Secretary and Legal Head
18	Shri Hemant Gundare#	Head Corporate EHS (Environment, Health & Safety)
19	Shri Shrihari Mane#	Chief Technology Officer (API)
20	Shri Rakeshwar Bandichhor$	Chief Scientific Officer
21	Shri Sachin Patil*	Head - Exports
22	Shri Rajendra Pagare*	Head - Operations & Compliance

#With effect from November 09, 2025

$With effect from January 01, 2026

*With Effect from May 25, 2026

Directors Competence/ Skills /Expertise:

The Company is engaged in the manufacturing of Pharmaceuticals API. The table below summarises the broad list of core skills / expertise / competencies identified by the Board of Directors, as required in the context of the Company's business / sector and the said skills are available with the Board members;

List of core skills/expertise/competencies identified by the Board of Directors as required in the context of the business (es) and sector(s);

Experience in Pharmaceutical industry

Experience in sales and marketing management based on understanding of the consumer and consumer goods industry

Extensive leadership experience of an organisation for practical understanding of the organisation, its processes, strategic planning, risk management for driving change and long-term growth

Owing to presence across the globe, the understanding of global business & market is seen as pivotal

Finance and Banking

Finance field skills/competencies/ expertise is seen as important intricate and high quality financial management and financial reporting processes

Legal/ Governance/ Compliance

In order to strengthen and maintain the governance levels and practices in the organisation

Name of Director	Industry Experience	Operations, Technology, Sales and Marketing	Leadership	Understanding of Global Business	Finance and Banking	Legal/ Governance/ Compliance
Shri Rashesh C. Gogri DIN: 00066291	√	√	√	√	x	x
Smt. Hetal Gogri Gala DIN: 00005499	√	√	√	√	x	x
Shri Narendra J. Salvi DIN: 00299202	√	√	√	√	x	x
Shri Rajendra V. Gogri DIN: 00061003	√	√	√	√	x	x
Shri Parimal H. Desai DIN: 00009272	√	√	√	√	x	x
Dr. Vinay G Nayak DIN: 02577389	√	x	x	x	x	x
Shri Bhavesh R. Vora DIN: 00267604	x	x	x	x	√	√
Prof Vilas G. Gaikar DIN: 00033383	√	x	x	x	x	x
Smt. Rupal A. Vora DIN: 07096253	x	x	x	x	x	√
Smt. Jeenal K. Savla DIN: 07545244	x	x	x	x	√	√
Shri Pradeep Thakur DIN: 00685992	√	x	x	√	x	x
Smt. Nehal Garewal DIN: 01750146	√	√	√	√	x	x

III. COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions within the delegated authority. Each Committee of the Board, whether mandatorily required to be constituted or otherwise, functions according to its scope that defines its composition, power and role in accordance with the Act and the Listing Regulations. The Company has five (5) Statutory Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. The recommendations of the Committees are submitted to the Board for approval.

The Board has also constituted the Finance and Investment Committee to deal with routine operational matters. The Board also constitutes other functional Committees, from time to time, depending on business needs. During the year, all the recommendations of the Committees were accepted by the Board.

The composition and terms of reference of all the Committees are in compliance with the Act and the Listing Regulations. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functioning. Minutes of the proceedings of Committee meetings are circulated to the respective Committee members and also placed before the Board for its noting.

1. AUDIT COMMITTEE

The Audit Committee ("AC") of the Board of Directors is entrusted with the responsibility of supervising the Company's financial reporting process and internal controls.

Terms of Reference:

i. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act, 2013;

   b. changes, if any, in accounting policies and practices and reasons for the same;

   c. major accounting entries involving estimates based on the exercise of judgment by management;

   d. significant adjustments made in the financial statements arising out of audit findings;

   e. compliance with listing and other legal requirements relating to financial statements;

   f. disclosure of any related party transactions;

   g. modified opinion(s) in the draft audit report;

v. reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii. approval or any subsequent modification of transactions of the listed entity with related parties;

ix. scrutiny of inter-corporate loans and investments;

x. valuation of undertakings or assets of the listed entity, wherever it is necessary;

xi. evaluation of internal financial controls and risk management systems;

xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. discussion with internal auditors of any significant findings and follow up there on;

xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. to review the functioning of the whistle blower mechanism;

xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

xx. carrying out any other function as is mentioned in the terms of reference of the audit committee.

xxi. reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

xxii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

xxiii. Such other acts, deeds, matters and things as may be stipulated in terms of the Act and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

Mandatorily review the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Internal Auditor; and
- Statement of deviations.

Composition, Meeting and Attendance

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 read with Part C of Schedule II of the Listing Regulations.

As on March 31, 2026, the Audit Committee comprised six (6) members, of which four (4) are Non-Executive Independent Directors. All the members of the Committee are financially literate and majority of them have accounting and financial management expertise.

During the year under review, four (4) meetings were held. The dates of the meetings and attendance of the AC members in the said meetings are given below;

Members	Category	Date of the Meetings			
		May 10, 2025	August 12, 2025	November 08 and November 09, 2025	February 09, 2026
Shri Bhavesh R. Vora	Independent Director, Chairperson	√	√	√	√
Dr. Vinay G. Nayak	Independent Director, Member	√	√	√	√
Prof. Vilas G. Gaikar	Independent Director, Member	L.O.A*	√	√	√
Smt. Jeenal K. Savla	Independent Director, Member	√	√	√	√
Smt. Hetal Gogri Gala	Managing Director and Vice - Chairperson, Member	√	√	√	√
Shri Narendra J. Salvi	Managing Director, Member	√	√	√	√

**Leave of Absence*

The gap between the two meetings did not exceed one hundred and twenty days. The necessary quorum was present at all the meetings. The Company Secretary of the Company acted as the Secretary to the Committee. The Chairperson of the Audit Committee attended the 6th AGM held on September 22, 2025.

The Audit Committee Meetings are usually attended by the Chairman, Vice- Chairperson & Managing Director, Chief Financial Officer, representatives of the Statutory Auditors and the Internal Auditor.

2. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee ("NRC") of the Board of Directors is entrusted with the responsibility of creating a high performance culture; attracting, retaining and motivating employees to achieve results.

Terms of Reference:

i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

ii. For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

iii. formulation of criteria for evaluation of performance of Independent Directors and the board of directors;

iv. devising a policy on diversity of board of directors;

v. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

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

vii. recommend to the board, all remuneration, in whatever form, payable to senior management.

viii. such other acts, deeds, matters and things as may be stipulated in terms of the Act and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

Composition, Meeting and Attendance

The composition, quorum, powers, role and scope are in accordance with Section 178 of the Act and the provisions of Regulation 19 read with Part D Para A of Schedule II of the Listing Regulations.

As on March 31, 2026, the Nomination & Remuneration Committee comprised three (3) members of which two (2) are Non-Executive Independent Directors.

During the year under review, five (5) NRC Meetings were held. The dates of the meetings and attendance of the NRC members in the said meeting are given below;

Members	Category	Date of the Meetings				
		May 10, 2025	May 28, 2025	August 12, 2025	November 09, 2025	February 09, 2026
Smt. Jeenal K. Savla	Independent Director, Chairperson	√	√	√	√	√
Dr. Vinay G. Nayak	Independent Director, Member	√	√	√	√	√
Shri Rashesh C. Gogri	Non-Executive Director, Member	√	√	√	√	√

The necessary quorum was present at all the meetings. The Chairperson of the NRC attended the 6th AGM held on September 22, 2025.

Performance Evaluation

The performance evaluation process of the Board, its Committees, Non-Independent Directors, Independent Directors and Chairman established as mentioned below is in line with the regulatory requirements of the Act and Regulations 17 and 25 of Listing Regulations.

The criteria for performance evaluation of Independent Directors include areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors is carried out by the Board of Directors without the presence of the Director being evaluated. Similarly, the performance evaluation of Non-Independent Directors is carried out by the Independent Directors and Board without the presence of the Director being evaluated.

During the year under review, questionnaires were circulated to the members of the Board and respective Committees soliciting their feedback on the performance of the Board, its Committees and individual Directors for FY 2025-26. The evaluations are carried out in a confidential manner and the Directors provide their feedback by rating based on various metrics. The overall performance evaluation exercise was completed to the satisfaction of the Board.

In a separate meeting of the Independent Directors, the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Company were evaluated taking into account the views of Executive Directors and other Non-Executive Directors.

The NRC reviewed the performance of the individual Directors and the Board as a whole.

In the Board meeting that followed the meeting of the Independent Directors and the meeting of NRC, the performance of the Board, its Committees, and individual directors were discussed.

Nomination and Remuneration Policy

Criteria and Qualification for Nomination & Appointment

A person to be appointed as Director, Key Managerial Personnel ("KMP") or at Senior Management level should possess adequate and relevant qualification, expertise and experience for the position that he/ she is being considered for.

Policy on Remuneration

The Company considers human resources as its invaluable assets. The Remuneration Policy endorses equitable remuneration to all directors, key managerial personnel and employees of the Company consistent with the goals of the Company. The Company has in place a Nomination and Remuneration Policy ("NRC Policy") formulated as per the provisions of the Act and the Listing Regulations. The NRC Policy outlines the role of the Committee and the Board, inter alia, determining the criteria for Board membership, approving, and recommending compensation and policies for Directors and Senior Management and lay down the effective manner of performance evaluation of the Board, its Committees, and the Directors. During the year under review, there has been no change to the Policy. The NRC Policy is available on the Company's website at https://www.aartipharmalabs.com/investors/nomination-and-remuneration-policy-feb-2023.pdf

Remuneration of Non-Executive Directors

Non-Executive Directors are presently receiving sitting fees (including reimbursement of expenses) for attending the meeting of the Board and its Committees as per the provisions of the Act and the rules made thereunder along with commission for the year FY 2025-26 which was approved by the members at the AGM held on August 07, 2024. No Stock options have been given to the Non-Executive Directors during the year.

The details of the sitting fees paid and Commission payable to the Non - Executive Directors as on March 31, 2026 are as under:

Name of Directors	Commission (In ₹)	Sitting fees (In ₹)
Shri Rashesh C. Gogri	6,59,000	2,20,000
Shri Rajendra V. Gogri	5,67,000	1,80,000
Shri Parimal H. Desai	4,74,000	1,40,000
Dr. Vinay G. Nayak	8,82,000	2,70,000
Shri Bhavesh R. Vora	6,22,000	2,00,000
Prof Vilas G. Gaikar	6,59,000	1,70,000
Smt. Rupal A. Vora	4,37,000	1,40,000
Smt. Jeenal K. Savla	8,26,000	2,60,000
Shri Pradeep Thakur	4,00,000	1,60,000
Smt. Nehal Garewal	4,00,000	1,50,000
TOTAL	**59,26,000**	**18,90,000**

The Company does not have material pecuniary relationship or transactions with its Independent Directors except the payment of sitting fees for attending the meetings of Board / Committees and commission, as disclosed in this Report.

Based on the recommendation of the NRC and the Board, the Members of the Company approved the proposal for payment of commission to Non-Executive Directors as a percentage of profit at their meeting held on August 07, 2024.

The Board decides the exact commission each year and then distributes it amongst the Non-Executive Directors based on their attendance and contribution at Board and committee meetings, as well as time spent on other operational matters, basis recommendations of the NRC. The Company also reimburses any out-of-pocket expenses incurred by Directors for attending meetings and Company events.

Remuneration of Executive Directors

The Company remunerates its Executive Directors by way of salary and commission based on performance of the Company. Remuneration is paid within the limits as approved by the shareholders within the stipulated limits of the Section 197 read with Schedule V of Act and the Rules made thereunder. The remuneration paid to the Managing Directors is determined keeping in view the industry benchmark and the performance of the Company.

(₹ in Lakhs)

Name of Director(s)	Designation	Salary	Commission*	Total Remuneration
Smt. Hetal Gogri Gala	Vice-Chairperson & Managing Director	118.49	651.84	770.33
Shri Narendra J. Salvi	Managing Director	120.08	59.25	179.33

*Performance linked commission

Notes:

1. *Figures are exclusive of cost of perquisites; contribution to provident fund, superannuation fund, driver's salary, taxable value of car perquisite and the Stock Options granted by the Committee under the Aarti Pharma Performance Stock Option Plan 2023 ("PSOP 2023").*

   Shri Narendra J. Salvi was granted respective stock options as follows: 25,000 on January 4, 2024, 15,000 on May 13, 2024, 11,300 on May 10, 2025 and 8,500 on May 25, 2026 by the Nomination and Remuneration Committee. The options granted on January 04, 2024 shall vest on FY 2024-25, FY 2025-26 and FY 2026-27, options grated on May 13, 2024 shall vest in FY 2025–26, FY 2026–27, and FY 2027–28, the options granted on May 10, 2025 shall vest in FY 2026–27, FY 2027–28, and FY 2028–29 and options granted on May 25, 2026 shall vest in FY 2027-28, FY 2028-29 and FY 2029-30. Smt. Hetal Gogri Gala is not eligible for Stock Options, since she is a part of the Promoter Group.
2. *Managing Directors are appointed under the contract each for a period of five years and with termination notice period of 180 days.*
3. *All the stock options have been granted at FV of ₹ 5/-*

Key Managerial Personnel (KMP) and other employees:

The remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances, performance incentives (wherever paid) and Stock options under the Company PSOP 2023. Perquisites and retirement benefits are paid according to the Company policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification and experience/merits, and performance of each employee.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee ("SRC") of the Board of Directors is entrusted with the responsibility of safeguarding the interests of debenture holders and other security holders.

Terms of Reference:

i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

ii. Noting: Shareholding Pattern, category wise composition of the ownership viz. institutional, non-institutional and promoters;

iii. Detailed deliberations on shareholder's complaint received, resolved and pending for the resolution;

iv. Review: measures taken for effective exercise of voting rights by shareholders;

v. Review: Status of Cases in Suspense Accounts;

vi. Review: Balances Pending in Unclaimed Dividend/ Fractional Shares Dividend account and measures taken by Company to reduce the same;

vii. Review: Status of IEPF Cases;

viii. Review: Adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

ix. Updation - Regulatory changes impacting shareholders;

x. Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

Composition, Meeting and Attendance

The composition, quorum, powers, role and scope are in accordance with Section 178 of the Act and the provisions of Regulation 20 read with Part D Para B of Schedule II of the Listing Regulations.

As on March 31, 2026, the Stakeholders' Relationship Committee comprised four (4) members of which two (2) are Non-Executive Independent Directors.

The SRC met once (1) during the year under review. The date of the meeting and attendance of the SRC members in the said meeting is given below;

Members	Category	Date of the meeting
		March 10, 2026
Shri Rajendra V.Gogri	Non-Executive Director, Chairman	√
Shri Bhavesh R. Vora	Independent Director, Member	L.O.A*
Smt. Rupal A. Vora	Independent Director, Member	√
Shri Narendra J.Salvi	Managing Director, Member	√

**Leave of Absence*

The necessary quorum was present at the said meeting. Shri Rajendra V. Gogri, Chairman of the SRC attended the 6th AGM held on September 22, 2025.

Name, Designation and Contact details of the Compliance Officer

Shri Jeevan Mondkar, Company Secretary (M. No. A22565) is the Compliance Officer of the Company. The Compliance Officer can be contacted at the Corporate office of the Company at:

Aarti Pharmalabs Limited
Embassy Park 247, Tower C, 401, 4th Floor, LBS Marg, Vikhroli (W), Mumbai, India - 400 083
Tel.: + 91 22 6797 6666 +91 22 6797 6697; Fax: +91 22 25653234, +912225653185;
Email: investorrelations@aartipharmalabs.com;
Website: https://www.aartipharmalabs.com

SEBI processes investor complaints in a centralised web-based complaints redressal system, i.e. SCORES. Through this system a Member can lodge a complaint against the Company for redressal of his/ her grievance. The Company uploads the action taken report on the complaint which can be viewed by the Member. The Company and Member can seek and provide clarifications online through SEBI.

Further, the Company has pursuant to SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, registered itself on the ODR platform, which gives an ease to investors on escalation of the complaints.

Details of investor complaints received and redressed during FY 26 are as follows;

Opening as on April 1, 2025	Received during the year	Resolved during the year	Closing as on March 31, 2026
1	4	5	0

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving investors complaints/queries.

Separate email id for the redressal of investors' complaints

As per Regulation 6 of Listing Regulations, the Company has designated a separate e-mail id investorrelations@aartipharmalabs.com exclusively for the registering complaints by the investors.

4. RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") of the Board of Directors is entrusted with the responsibility of making recommendations to the Board on the risk management systems designed to enable an early detection of the risks and their effective supervision and Management. Additionally, it engages with risk owners to understand the risks associated with business strategy, and proposed mitigation plans to get assurance that the risks are identified proactively and being managed.

Terms of Reference:

i. formulate a detailed risk management policy which shall include:

   a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b. measures for risk mitigation including systems and processes for internal control of identified risks.

   c. business continuity plan.

ii. ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

iii. monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

iv. periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

v. keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

vi. appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

vii. such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

Composition, Meeting and Attendance

The composition, quorum, powers, role and scope are in accordance with the provisions of Regulation 21 read with Part D Para C of Schedule II of the Listing Regulations.

As on March 31, 2026, the Risk Management Committee comprised six (6) members of which One (1) is a Non-Executive Independent Director.

During the year under review, two (2) the RMC meetings were held. The dates of the meetings and attendance of the RMC members in the said meetings is given below;

Members	Category	Date of the Meetings	
		September 15, 2025	March 10, 2026
Shri Rashesh C. Gogri	Non-Executive Director, Chairman	√	√
Dr. Vinay G. Nayak	Independent Director, Member	√	√
Shri Rajendra V. Gogri	Non-Executive Director, Member	√	√
Shri Parimal H. Desai	Non-Executive Director, Member	√	√
Smt. Hetal Gogri Gala	Vice-Chairperson and Managing Director, Member	√	√
Shri Narendra J. Salvi	Managing Director, Member	√	√

The gap between the two meetings did not exceed two hundred and ten days. The necessary quorum was present at all the meetings.

The Company has formulated a Risk Management Policy for early detection and effective supervision of the various risks associated with the business of the Company. The Policy is available on the Company's website at https://www.aartipharmalabs.com/investors/APL_Risk%20Management%20Policy.pdf

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("CSRC") of the Board of Directors is entrusted with the responsibility of identifying the areas of CSR activity, recommending the amount of expenditure to be incurred and implementing and monitoring the CSR policy from time to time.

Terms of Reference:

i. formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act, as amended, read with Rules framed thereunder;

ii. recommend the amount of expenditure to be incurred on such activities and

iii. monitor the CSR Policy, Annual Action plan of the Company from time to time.

Composition, Meetings and Attendance

The composition, quorum, powers, role and scope are in accordance with the provisions of Section 135 of the Act.

As on March 31, 2026, Corporate Social Responsibility Committee comprised four (4) members.

The CSRC met once (1) during the year under review. The necessary quorum was present at the said meeting. The date of the meeting and attendance of CSRC members in the said meeting is given below;

Members	Category	Date of the Meeting
		April 16, 2025
Smt. Hetal Gogri Gala	Managing Director, Chairperson	√
Prof. Vilas G. Gaikar	Independent Director, Member	√
Smt. Jeenal K. Savla	Independent Director, Member	√
Shri Rajendra V. Gogri	Non-Executive Director, Member	L.O.A

The Company has formulated a CSR Policy for determining the activities and responsibilities of the Company for incurring expenditure as per the provisions of the act.

The policy is available on the Company's website https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf

The CSRC provides guidance in formulation of CSR strategy and its activities.

Further, some of the employees responsible for the CSR activities on ground are also invited to the CSRC meetings to give the members a first-hand account of the work done. All the decisions and recommendations made by the CSRC during the year were approved by a requisite majority by the members of the CSRC.

The Annual Report on CSR activities as required to be given under Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure which forms part of the Directors' Report.

IV. GENERAL BODY MEETINGS

The details of Annual General Meetings convened during the last three years are as follows;

Financial Year	Day, Date and Time	Venue	Special Resolution passed for
FY 2022-23	Thursday, September 14, 2023, at 11:00 a.m.	Through Video Conferencing / Other Audio Visual Means	Approval of Aarti Pharma Performance Stock Option Plan 2023 (PSOP 2023)
FY 2023-24	Wednesday, August 07, 2024, at 11:00 a.m.	Through Video Conferencing / Other Audio Visual Means	Appointment of Shri Pradeep Thakur (DIN: 00685992) as an Independent Director of the Company Payment of Commission to the Non-Executive Director(s) of the Company
FY 2024-25	Monday, September 22, 2025, at 11:00 a.m.	Through Video Conferencing / Other Audio Visual Means	Re-appointment of Smt. Rupal Vora (DIN: 07096253) as Independent Director for a second term of 3 years Revision in terms of managerial remuneration of Shri Narendra Jagannath Salvi (DIN:00299202) Managing Director of the Company Approval to extend the benefits and grant of options to the employee(s) of Subsidiary Company(ies) under the Aarti Pharma Performance Stock Option Plan 2023 (PSOP 2023)

Extraordinary General Meetings –

No Extraordinary General Meetings of members were convened during FY 2025-26.

Details of Resolution passed through Postal Ballot

During the year under review, no resolutions were passed by members of the Company through the Postal Ballot.Further, no special resolution was passed through postal ballot as on date.

V. MEANS OF COMMUNICATION

Quarterly Results

The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes or 3 hours as the case may be, from the conclusion of the Board Meeting in which the same is approved. The results are usually published in Financial Express (English) edition and Loksatta Jansatta (Gujrati) edition published from Ahmedabad. These results are also available on the website of the Company at https://www.aartipharmalabs.com/quarterly-results

All data required to be filed electronically or otherwise pursuant to the Listing Regulations with the Stock Exchanges, such as annual report, quarterly financial statements, Shareholding pattern, report on Corporate Governance are being regularly filed with the Stock Exchanges, namely, National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com) and available on their websites as well.

Further, all the disclosures made to the Stock Exchanges, are also available under the 'Investors' tab on the Company's website https://www.aartipharmalabs.com/disclosures-under-regulation-46-of-the-sebi-lodr-regulations-2015 in compliance with Regulation 46 of the Listing Regulations.

The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. In compliance with Regulation 46 of the Listing Regulations, the presentations, audio recordings and transcripts of earning's conference call on performance of the Company are placed on the Company's website at https://www.aartipharmalabs.com/financialinformation

VI. GENERAL SHAREHOLDERS INFORMATION

1	**CIN**	L24100GJ2019PLC110964
2	**Registered Office**	Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, Valsad, Vapi, Gujarat, India, 396195
	Address for correspondence	B-701, Tower B, Embassy 247, LBS Marg, Vikhroli West, Mumbai 400083, Maharashtra, India
3	**Name and Address of each stock exchange(s) at which the listed entity's securities are listed and Stock Code**	
	BSE Limited – (Stock Code)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 SCRIP CODE: 543748
	National Stock Exchange of India Limited – (Stock Code)	Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 SYMBOL: AARTIPHARM
The Company has paid the requisite Listing Fees of the Stock Exchanges and Annual Custodial Fees of the Depositories		
4	**Registrar to an issue and Share transfer agents**	M/s. MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) C-101, 1st Floor, C Tower, Embassy 247, L.B.S Marg, Vikhroli (West) Mumbai- 400 083 Telephone: 08108116767 Email ID: investor.helpdesk@in.mpms.mufg.com Website: https://in.mpms.mufg.com
5	**Share Transfer System**	In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 1, 2019. None of the shareholders hold shares in physical form as on date. Thus, trading in the shares of the Company is in electronic mode only.

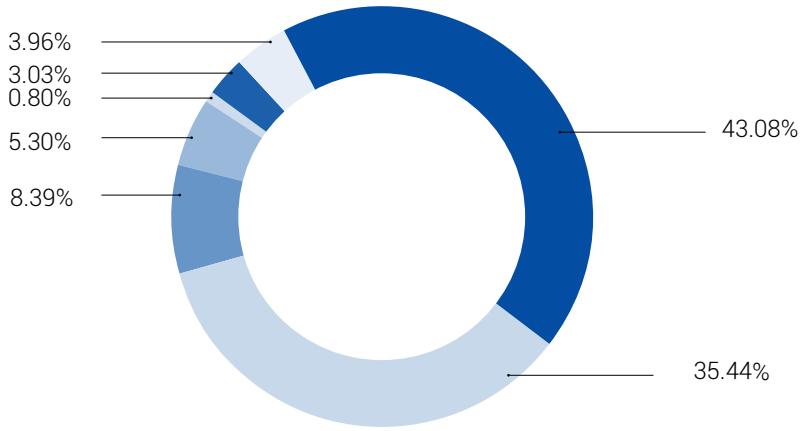
6	**Plant Locations**	i. Unit - I, Plot No. D - 53, M.I.D.C., Phase-II, Kalyan Shil Road, Dombivli (East), District: Thane - 421 204 ii. Unit - II, Plot No. D - 55,56,57,59,60, M.I.D.C., Phase-II, Kalyan Shil Road, Dombivli (East), District: Thane - 421 204 iii. Custom Synthesis Division, Plot No. 22-C/1 & 22-C/2, 1st Phase, G.I.D.C., Vapi 396 195, District - Valsad iv. Unit - III, Plot No. K - 17/18/19, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506 v. Unit - IV, Plot No. E - 50, 50/1, 59/1, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506 vi. Unit -V, Plot No. L - 28/29, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506 vii. Unit - I, Plot No. K - 67, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506 viii. Plot No. L - 10, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506 ix. Unit - VI, Plot No. D - 18, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506 x. Unit - VII, Plot No. K - 65, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506 xi. Unit - VIII, Plot No. K - 14,15,16 M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506 xii. Unit - IX Plot No. L - 10, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506 xiii. Atali - R.S No. 39 To 49, PCPIR Notified Industrial Area, Village – Atali, Tal-Vagra, Dist – Bharuch, PIN 392130 Gujarat.
7	**Research and Development Centers**	i. Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi 396 195, Dist. Valsad, Gujarat ii. Plot No. D - 54, M.I.D.C., Phase-II, Kalyan Shil Road, Dombivli (East), District - Thane - 421 204 iii. Plot No D - 176, 1st & 2nd Floor, TTC Industrial Area, M.I.D.C., Nerul, Navi Mumbai - 400 706
8	**Financial Calendar**	
	Financial Year	April 01, 2025 to March 31, 2026
	Tentative schedule for the FY 2026-27	
	June, 2026	Last week of July/ 1st week of August, 2026
	September, 2026	Last week of October/ 1st week of November, 2026
	December, 2026	Last week of January/ 1st week of February, 2027
	March, 2027	1st/2nd week of May, 2027
9	**Annual General Meeting**	
	Day and Date	Tuesday, September 22, 2026
	Time	11:00 A.M.
	Venue/Mode:	AGM would be held through video conference/other audio visual means. (Deemed venue for meeting: Registered Office of the Company).
	E-voting details and link:	Commences on: Saturday, September 19, 2026 (9:00 a.m. IST) Ends on: Monday, September 21, 2026 (5:00 p.m. IST) https://www.evoting.nsdl.com/
10	**Cut Off Date for E-voting**	Tuesday, September 15, 2026
	Record Date	Tuesday, September 15, 2026

11	**Dividend Payment Date**	The final dividend, if approved, shall be paid on or before Tuesday, October 20, 2026
12	**Dematerialisation of shares and liquidity**	100% of the Paid-up Capital is held in Dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2026 under ISIN: INE0LRU01027
13	**Credit Rating**	The Company does not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended March 31, 2026. The details of Credit Ratings as on March 31, 2026 for Bank Loan Facilities is Crisil AA-/ Stable (Assigned).
14	**Cases where securities are suspended from trading**	N.A.
15	**Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, if any.**	The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.
16	**Commodity price risk or foreign exchange risk and hedging activities, if any**	During the FY 2025-26, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 40(A) to the Annual Accounts.
17	**Designated email id for Investor Services**	investorrelations@aartipharmalabs.com.

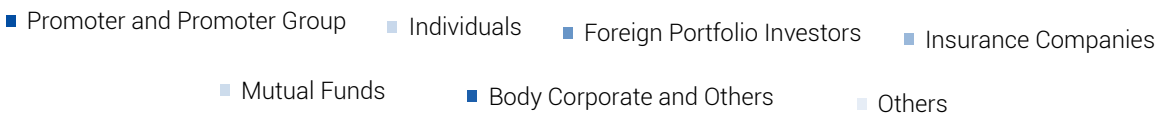
18. Shareholding as on March 31, 2026:

A. Category of Equity Shareholding:

Category	Equity Shares	
	No. of Shares	%
Promoter and Promoter Group	3,90,58,464	43.08
Individuals	3,21,28,514	35.44
Foreign Portfolio Investors	76,06,884	8.39
Insurance Companies	48,04,952	5.30
Mutual Funds	7,27,347	0.80
Body Corporate and Others	27,43,746	3.03
Others	35,87,844	3.96
Total	**9,06,57,751**	**100.00**



B. Distribution of Shareholding:



No. of Shares	Shareholders		Share Amount	
	Number	%	₹	%
1-2500	1,82,249	99.11	1,54,79,781	17.08
2501-5000	765	0.42	27,04,593	2.98
5001-10000	354	0.19	25,48,794	2.81
10001-15000	105	0.06	12,93,023	1.43
15001-20000	91	0.05	16,24,998	1.79
20001-25000	50	0.03	11,37,701	1.25
25001-50000	92	0.05	32,53,515	3.59
above 50001	175	0.10	6,26,15,346	69.07
Total	**1,83,881**	**100**	**9,06,57,751**	**100**

19. Green initiative:

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, and Securities & Exchange Board of India enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address registered with the Depository Participant (DPs) and Registrar and Transfer Agent (RTA).

Shareholders who have not registered their e-mail addresses so far are requested to do the same by way of registering their e-mail address with their concerned DPs.

VII. OTHER DISCLOSURES:

1. All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. Details of related party transactions entered into by the Company are included in the notes to accounts. Material individual transactions with related parties are in the normal course of business and do not have potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of Business are placed before the Audit Committee periodically.

   As required under Regulation 23(1) of Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The said policy is also available under 'Investor' section of the website of the Company https://www.aartipharmalabs.com/investors/apl-rpt-policy-revised-feb-2025-final.pdf. Half yearly disclosures of related party transactions have been filed with the exchanges.

2. There has been no instance of non-compliance by the Company, and no penalties or strictures have been imposed on the Company by the Stock Exchanges, the Securities and Exchange Board of India (SEBI), or any other statutory authority in connection with matters related to the capital markets during the last three years.

   The Company has received an order under Section 74 of the CGST and SGST Acts, involving an alleged demand of ₹ 31,15,608/- inclusive of tax, interest, and penalty. The demand pertains to the alleged excess availment of Input Tax Credit and incorrect declaration of tax liability for the financial year 2022-23, 2023-24 based on discrepancies identified in the data submitted under GSTR-3B, GSTR-1, GSTR-9, GSTR-2A, and other records.

   However, There were no material impact on financials, operations or other activities of the Company due to the above.

3. Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of Listing Regulations the, Audit Committee and the Board have adopted a Whistle-Blower policy which provides an environment where every director / employee feels free and secure to report specific incidents of unethical behaviour, actual or suspected incidents of fraud or violation of the Company's Code, investigate such reported incidents in a fair manner, taking appropriate disciplinary action against the delinquent director(s) and employee(s), ensuring that no director or employee is victimised or harassed for bringing such incidents to the attention of the Company. The said policy has been hosted under "Investors" section of the website of the Company at https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf

The Company affirms that there were no incidences of reporting unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct during FY 2025-26. Further, none of the personnel has been denied access to the Audit Committee.

4. In order to restrict communication of Unpublished Price Sensitive Information (UPSI), the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The said Code is available on the website of the Company at the: https://www.aartipharmalabs.com/investors/code-on-prohibition-of-insider-trading-feb-2023.pdf

5. The Company has complied with all the mandatory requirements of Listing Regulations.

6. Details with respect to discretionary requirements as specified in Part E of Schedule II are as follows:

Sr. No.	Particulars	Remarks
1	Non-Executive Chairman's Office	The Company has a Non-executive Chairman.
2	Shareholder's Rights	As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
3	Audit Qualifications	Auditors' Report on Company's financial statement for FY 2025-26 is unmodified.
4	Separate posts of Chairman and Managing Director or the Chief Executive Officer ("CEO")	The Company has separate posts of Chairman and Managing Director.
5	Reporting of Internal Auditor	The Internal Auditor reports to the Audit Committee.

7. The 'Policy for Determining Material Subsidiary' pursuant to Regulation 16(1) (c) of Listing Regulations, has been adopted by the Board and has been hosted on website of the Company at https://www.aartipharmalabs.com/investors/policy-on-determination-of-material-subsidiary-feb-2023.pdf.

   In terms of the above policy, the Company's subsidiary, namely, Aarti USA Inc. is not a material subsidiary for FY 2025-26. Further, Rishab S Vora & Co., Chartered Accountants, are the Auditors of the Aarti USA Inc., who were appointed on June 22, 2023. Except the said entity, the Company does not have any other material subsidiary.

8. During FY 2025-26, the Company has not raised funds through any kind of issue (public issue, rights issue, preferential issue, etc.)

9. None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

10. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is part;

Particulars	₹ In Lakhs
Audit Fees	12.00
Certification Charges	2.45
Out of pocket expenses	1.38
Total	**15.83**

11. Disclosures in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013;

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

12. During the year under review, the Company has not given any loans and advances to firms/Companies in which directors are interested.

13. The Company hereby confirms compliance with the requirements of the Corporate Governance report as specified in sub-paras (2) to (10) of Part C of Schedule V as well as Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the Listing Regulations.

14. The Company has complied with all the mandatory corporate governance requirements under the Listing Regulations.

15. As per Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:

Particulars	Unclaimed Suspense Account*		Demat Suspense Account*	
	No. of Shareholders	No. of equity Shares	No. of Shareholders	No. of equity shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on April 01, 2025	189	88,833	707	4,23,479
No. of shareholders who approached the Company for transfer of shares from suspense account during the year.	2	1,237	24	18,274
Number of shareholders to whom shares were transferred from the suspense account during the year	2	1,237	24	18,274
Shares transferred to IEPF A/c	-	-	-	-
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2026	187	87,596	683	4,05,205

*Pursuant to the Scheme of Arrangement, in respect of those shares lying in the Unclaimed Suspense Account and shares held in physical form by shareholders of AIL before demerger, proportionate number of shares were credited in the Company's Unclaimed Suspense Account and Demat Suspense Account, respectively.

The voting rights on unclaimed/outstanding shares in the Unclaimed Suspense Account as on March 31, 2026 will remain frozen till the rightful owner claims the shares. With respect to the shares lying in the Demat Suspense Account, shareholders are requested to refer to the notes contained in the Notice of the AGM for steps to vote on the resolutions proposed and to attend the AGM.

VIII. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors has adopted Code of Conduct for the Board of Directors and Senior Management Personnel of the Company in terms of Regulation 17(5) of the Listing Regulations. All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2026. A declaration to this effect signed by the Managing Director is appended to this report. The said Code of Conduct may be viewed on the Company's website https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf

IX. CERTIFICATION FOR FINANCIAL REPORTING AND INTERNAL CONTROLS (CEO/ CFO CERTIFICATION)

Pursuant to Regulation 17 (8) of the Listing Regulations, a certificate duly signed by Smt. Hetal Gogri Gala, Vice Chairperson and Managing Director ("MD") and Shri Piyush Lakhani, Chief Financial Officer ("CFO") of the Company are appended to this report.

X. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

The Company has obtained a certificate from M/s Mehta & Mehta, Practising Company Secretaries confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. A copy of the said certificate is appended hereto.

XI. CERTIFICATE FROM A PRACTISING CHARTERED ACCOUNTANT FOR COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

A certificate from M/s. Mehta & Mehta, Practising Company Secretaries (Firm Registration No P1996MH007500), regarding compliance of conditions of Corporate Governance as stipulated in Part E of Schedule V of the Listing Regulations is appended to this Report.

For and on behalf of the Board
Aarti Pharmalabs Limited

Hetal Gogri Gala
Vice Chairperson and Managing Director
DIN:00005499

Narendra Jagannath Salvi
Managing Director
DIN: 00299202

Place: Mumbai
Date: August 7, 2026

DECLARATION BY MANAGING DIRECTOR FOR THE FY 2025-26

All the Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Regulation 17(5)(a) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board

Hetal Gogri Gala
Vice Chairperson and Managing Director
Din:00005499

Place: Mumbai
Date: August 07, 2026

CEO / CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT TO THE BOARD PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATION, 2015) FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

We Certify that –

We have reviewed the Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2026 and we hereby certify and confirm to the best of our knowledge and belief the following:

a. The Financial Statements and the Cash Flow Statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

c. There are no transactions entered into by the Company during the Year ended March 31, 2026 which are fraudulent, illegal or violate of the Company's code of conduct;

d. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

e. There have been no Significant changes in the above mentioned internal controls over the financial reporting during the relevant period;

f. There have been no Significant changes in accounting policies during the relevant period;

g. We have not noticed any significant fraud particularly those involving the management or an employee having a significant role in the Company's internal control system over the financial reporting.

For **AARTI PHARMALABS LIMITED**

Sd/-
Hetal Gogri Gala
Vice Chairperson and Managing Director
DIN: 00005499

Sd/-
Piyush Lakhani
Chief Financial Officer

Place: Mumbai
Date: May 25, 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

Aarti Pharmalabs Limited

(CIN: L24100GJ2019PLC110964)

Plot No. 22/C/1 & 22/C/2, 1st Phase,

G.I.D.C. Vapi, Valsad, Vapi, Gujarat, India,396195.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aarti Pharmalabs Limited** having **CIN L24100GJ2019PLC110964** and having registered office at **Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, Valsad, Vapi, Gujarat, India,396195, India** (hereinafter referred to as **'the Company'**), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Vilas Gaikar Gajanan	00033383	17/10/2022
2	Rupal Anand Vora	07096253	17/10/2022
3	Parimal Hasmukhlal Desai	00009272	17/10/2022
4	Bhavesh Rasiklal Vora	00267604	17/10/2022
5	Vinay Gopal Nayak	02577389	17/10/2022
6	Rajendra Vallabhaji Gogri	00061003	07/08/2021
7	Rashesh Chandrakant Gogri	00066291	07/08/2021
8	Hetal Gogri Gala	00005499	07/08/2021
9	Narendra Jagannath Salvi	00299202	07/08/2021
10	Jeenal Kenil Savla	07545244	17/10/2022
11	Pradeep Hari Thakur	00685992	13/05/2024
12	Nehal Garewal	01750146	13/05/2024

Ensuring the eligibility for appointment and continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification of the relevant records, forms, returns and disclosures made available to me. 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 **Mehta & Mehta**,
Company Secretaries
(ICSI Unique Code P1996MH007500)
CS Ronak Kalathiya
Partner
ACS No.: A37007 CP No.:26670
UDIN: A037007H000641677

Place: Mumbai
Date: 17th June, 2026

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Date: 7th August, 2026

To,
The Members,
Aarti Pharmalabs Limited
Plot No. 22/C/1 & 22/C/2, 1st Phase,
G.I.D.C., Vapi, Valsad, Gujarat – 396195

1. SCOPE OF EXAMINATION

We have examined the compliance of conditions of Corporate Governance by **Aarti Pharmalabs Limited** (hereinafter referred to as "the Company") for the financial year ended **March 31, 2026**, as prescribed under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as the "Listing Regulations").

2. MANAGEMENT'S RESPONSIBILITY

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of Corporate Governance stipulated under the Listing Regulations.

3. OUR RESPONSIBILITY

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

For the purpose of this certificate, we have examined the relevant records, registers, books, papers, minutes, disclosures, forms and returns filed and other records maintained by the Company, and have relied upon the information, explanations and representations furnished to us by the management of the Company.

4. OPINION

In our opinion, and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under the Listing Regulations for the financial year ended March 31, 2026.

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

5. RESTRICTION ON USE

This certificate is issued solely for the purpose of complying with the aforesaid Listing Regulations and is intended for annexure to the Report on Corporate Governance forming part of the Annual Report of the Company for the financial year ended March 31, 2026, and it may not be suitable for any other purpose or for use by any other person.

For **Mehta & Mehta**,
Company Secretaries,
ICSI Unique Code No.: P1996MH007500

CS **Monali Bhandari**
Partner
ACS No.: 27091
C.P. No.: 10272
UDIN: A027091H001042864

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1.	Corporate Identity Number (CIN) of the Company	L24100GJ2019PLC110964
2.	Name of the Company	Aarti Pharmalabs Limited
3.	Year of Incorporation	November 22, 2019
4.	Registered office address	Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, Valsad, Vapi, Gujarat, India, 396195
5.	Corporate office address	Aarti Pharmalabs Limited Embassy Park 247, Tower C, 401, 4th Floor, LBS Marg, Vikhroli (W), Mumbai, India - 400 083
6.	E-mail id	info@aartipharmalabs.com
7.	Telephone	+91 022-69436100
8.	Website	www.aartipharmalabs.com
9.	Financial year for which reporting is being done	April 01, 2025 to March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed	a. BSE Limited b. National Stock Exchange of India Limited
11.	Paid-up capital	₹ 45,32,88,755
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Smt. Hetal Gogri Gala Vice Chairperson & Managing Director Tel: +91 022-69436100 Email: infoapi@aartipharmalabs.com
13.	Reporting boundary	Standalone basis
14.	Name of assessment or assurance provider	While BRSR Core assurance is not mandatory for the Company, APL is proactively undertaking it to demonstrate our commitment to transparency and responsible business practices. We will conduct a Type 2 Moderate Assurance of our Sustainability Report and BRSR Core indicators in accordance with AA1000AS standards, and these efforts will be formally reflected in our Sustainability Report.
15.	Type of assessment or assurance obtained	

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of total turnover contributed
1.	Manufacturing of Pharmaceuticals and Nutraceuticals	Development of Active Pharmaceutical Ingredients (API) and New Chemical Entities (NCE), API intermediates, Regulatory Starting Materials (RSM), Basic Starting Materials, Key Building Blocks, and Xanthine Derivatives for use in clinical testing and commercial production.	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	API (Active Pharmaceutical Ingredients), Pharmaceutical Intermediates, New Chemical Entities	210	51
2	Xanthine Derivatives	1104	49

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants*	Number of offices	Total
National	15*	3	18
International	0	0	0

** Number of plants includes our 3 R&D facilities.*

19. Markets served by the entity:

a. Number of locations – This refers to locations where goods were transported to during the financial year, however the consumption of final product & even customer footprint is larger.

Locations	Number
National (No. of states)	25
International (No. of countries)	51

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company has a global presence with exports accounting for approximately 55.93% of its total turnover.

c. A brief on types of customers

Aarti Pharmalabs Limited serves a broad array of B2B clients in regulated and non-regulated sectors globally. The Company's customer portfolio features international pharmaceutical innovators and generic drug producers seeking premium APIs, advanced intermediates, and CDMO expertise, specifically for stringent markets like the United States, Japan, and the European Union. Beyond pharmaceuticals, APL provides specialty ingredients, including xanthine derivatives, to major food, beverage, and nutraceutical firms worldwide. The entity also supports manufacturers in the agrochemical, polymer, plastics, and dye and pigment industries by supplying high-purity chemical intermediates, monomers, and performance additives. These enduring client partnerships are anchored in APL's commitment to rigorous regulatory standards, extensive backward integration, and the capability to provide dependable, scalable, and bespoke solutions that meet precise industry requirements.

IV. EMPLOYEES

20. Details as of March 31, 2026

a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1.	Permanent (D)	1899	1773	93.36	126	06.64
2.	Other than permanent (E)	134	104	77.61	30	22.39
3.	**Total employees (D + E)**	**2033**	**1877**	**92.33**	**156**	**07.67**
	WORKERS					
1.	Permanent (F)	522	522	100	0	0
2.	Other than permanent (G)	1663	1635	98.32	28	01.68
3.	**Total workers (F + G)**	**2185**	**2157**	**98.72**	**28**	**01.28**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	1	100	0	0
2.	Other than permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**1**	**1**	**100**	**0**	**0**
	DIFFERENTLY ABLED WORKERS					
1.	Permanent (F)	1	1	100	0	0
2.	Other than permanent (G)	0	0	0	0	0
3.	**Total differently abled workers (F + G)**	**1**	**1**	**100**	**0**	**0**

21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	12	4	33.3
Key Management Personnel (other than BoD)	2	0	0

22. Turnover rate for permanent employees

Particulars	FY 2025-26 (%)			FY 2024-25 (%)			FY2023-24 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employee	23.80	12.99	23.45	3.93	2.11	3.82	9.17	8.25	9.02
Permanent Workers	5.29	0	5.31	0.67	0	0.67	4.77	0	4.77

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Aarti Pharmachem Limited	Subsidiary	100%	No
2	Aarti USA Inc.	Subsidiary	100%	No
3	Ganesh Polychem Limited	Joint Venture	50%	No

VI. CSR DETAILS

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover : ₹ 17,975,517,198

(iii) Net worth : ₹ 19,740,942,000

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

The Company's key stakeholders include investors, customers, employees, value chain partners/suppliers and community besides governments/regulatory authorities.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	-	0	0	-	0	0	-
Investors (other than shareholders)	https://www.aartipharmalabs.com/investorsrelations	0	0	-	0	0	-
Shareholders	https://www.aartipharmalabs.com/investorsrelations	4	0	-	3	1	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	https://www.aartipharmalabs.com/investors/vigilmechanism-policyfeb-2023.pdf	0	0	-	0	0	-
Customers	https://www.aartipharmalabs.com/contact	31	4	-	44	3	All pending complaints closed in reporting year.
Value Chain Partners	https://www.aartipharmalabs.com/contact	0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Learning and Development	Opportunity	Investing in employee learning and development ensures a skilled and motivated workforce, enhancing innovation and productivity.	NA	Positive
2	Material Sourcing and Efficiency	Risk and Opportunity	Efficient sourcing reduces costs and environmental impact, while poor practices can lead to supply chain disruptions.	Implement stringent supplier assessments and sustainable sourcing practices.	Positive
3	Supplier Environmental Assessment	Risk	Ensuring suppliers meet environmental standards reduces APL's exposure to environmental risks and regulatory penalties.	Regular audits and collaboration with suppliers to improve environmental performance.	Negative
4	Supplier Social Assessment	Risk	Ensuring suppliers adhere to social standards mitigates risks related to labor practices and human rights violations.	Conduct regular social audits and engage in supplier development programs.	Negative
5	GHG Emissions	Risk	High GHG emissions expose APL to regulatory penalties and reputational damage.	Implement emission reduction strategies and invest in cleaner technologies.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Climate Change	Risk and Opportunity	Climate change poses risks to operations but also offers opportunities for innovation in sustainability.	Develop climate resilience strategies and reduce carbon footprint.	Positive
7	Energy Management	Risk and Opportunity	Efficient energy use reduces costs and environmental impact, while poor management can lead to higher expenses and emissions.	Implement energy-efficient technologies and practices.	Positive
8	Economic Performance	Risk and Opportunity	Strong economic performance ensures business viability, while poor performance can threaten sustainability.	Implement robust financial management and strategic planning.	Positive
9	Employee Wellbeing	Opportunity	Promoting employee wellbeing enhances productivity, reduces absenteeism, and improves job satisfaction.	NA	Positive
10	Waste Management	Risk and Opportunity	Efficient waste management reduces environmental impact and compliance risks while offering opportunities for resource recovery.	Implement comprehensive waste reduction and recycling programs.	Positive
11	Water Management	Risk and Opportunity	Effective water management ensures resource availability and reduces environmental impact, while poor management can lead to scarcity and regulatory issues.	Implement water-saving technologies and practices.	Positive
12	Business Ethics	Risk	Upholding high ethical standards mitigates risks related to legal issues and reputational damage.	Implement robust ethics training and compliance programs.	Negative
13	Risk Management	Risk and Opportunity	Proactive risk management mitigates potential operational, financial, and reputational risks.	Develop and implement comprehensive risk management frameworks.	Positive
14	Data Privacy and Security	Risk	Ensuring data privacy and security protects against breaches, legal penalties, and reputational damage.	Implement robust cybersecurity measures and data protection policies.	Negative
15	Indirect Economic Impacts	Risk and Opportunity	Understanding and managing indirect economic impacts can mitigate risks and create opportunities for community development and business growth.	Engage with stakeholders to identify and manage indirect impacts.	Positive
16	Marketing and Labeling	Risk	Accurate marketing and labeling ensure regulatory compliance and build consumer trust, while inaccuracies can lead to legal issues and reputational damage.	Implement stringent quality control and compliance checks.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
17	Product Quality and Safety	Risk	Ensuring product quality and safety protects consumer health, complies with regulations, and maintains APL's reputation.	Implement rigorous quality control and safety testing procedures.	Negative
18	Compliance	Risk	Compliance with laws and regulations prevents legal penalties and maintains operational integrity.	Implement comprehensive compliance programs and regular audits.	Negative
19	Air Quality	Risk	Maintaining good air quality reduces health risks and ensures regulatory compliance.	Implement emission controls and regular monitoring.	Negative
20	Diversity and Equal Opportunity	Opportunity	Promoting diversity and equal opportunity fosters innovation, improves employee morale, and enhances reputation.	NA	Positive
21	Occupational Health and Safety	Risk	Ensuring occupational health and safety prevents workplace accidents, reduces absenteeism, and complies with regulations.	Implement robust health and safety programs and training.	Negative
22	Customer Health and Safety	Risk	Prioritizing customer health and safety maintains trust, complies with regulations, and protects against legal issues.	Implement strict quality control and safety measures.	Negative
23	Local Communities (CSR)	Opportunity	Engaging with local communities through CSR initiatives fosters goodwill, enhances reputation, and contributes to sustainable development.	NA	Positive
24	Non-discrimination	Opportunity	Upholding non-discrimination policies ensures a fair and inclusive workplace, enhancing employee satisfaction and reputation.	NA	Positive
25	Human Rights	Risk	Ensuring respect for human rights in operations and supply chains mitigates risks related to legal issues and reputational damage.	Implement and enforce human rights policies and supplier codes of conduct.	Negative
26	Access to Healthcare	Opportunity	APL can contribute to improved public health by ensuring access to affordable and effective pharmaceutical products.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes											
1.	a.	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b.	Has the policy been approved by the Board? (Yes/No)	The statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.								
	c.	Web Link of the Policies, if available.	**P1:** • Code of Ethical Conduct: https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf • Vigil Mechanism: https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf • Risk Management Policy: https://www.aartipharmalabs.com/investors/APL_Risk%20Management%20Policy.pdf • Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf **P2:** • Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf • Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf • Quality Policy: https://www.aartipharmalabs.com/assets/images/quality-policy-aarti-pharmalabs-2022. pdf • Responsible Procurement Policy: https://www.aartipharmalabs.com/investors/responsible-procurement-policy.pdf https://www.aartipharmalabs.com/investors/standalone-responsible-procurement-policy.pdf **P3:** • Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf • Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf • Prevention of Sexual Harassment (PoSH) Policy: https://www.aartipharmalabs.com/investors/prevention-of-sexual-harrasment-policy.pdf • People Policy: https://www.aartipharmalabs.com/investors/people-policy.pdf								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	P4: • People Policy: https://www.aartipharmalabs.com/investors/people-policy.pdf • Corporate Social Responsibility (CSR) Policy: https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf • Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf **P5:** • Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf • Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf • People Policy: https://www.aartipharmalabs.com/investors/people-policy.pdf • Code of Ethical Conduct: https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf • Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf **P6:** • Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf • Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf • Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf **P8:** • Corporate Social Responsibility (CSR) Policy: https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf **P9:** • Information Security Policy: https://www.aartipharmalabs.com/investors/information-security-policy.pdf • Quality Policy: https://www.aartipharmalabs.com/assets/images/quality-policy-aarti-pharmalabs-2022. pdf								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2. Whether the entity has translated the policy into procedures (Yes/No)	Yes, each department/function maintains its own set of procedures.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, we have a dedicated supplier code of conduct which covers all the applicable aspects under the BRSR principles.								
4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	The national and international codes/certifications/labels/standards are as follows: • FDCA (Manufacturing License) • FDA Maharashtra • FDA (U.S. Food and Drug Administration) • FDCA (GMP) • Export Inspection Council • ISO 9001:2015 • ISO 14001:2015 • ISO 45001:2018 • FSSAI • FSSC 22000 • Star – K Kosher • Jamiat Ulama Halal Foundation (Mumbai, India) • Majelis Ulama (Halal) (Indonesia) • SEDEX, SMETA (SMETA 4 pillar Certified Company) • UNGC India Network • EcoVadis • CDP • Science Based Target Initiative (SBTi)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	SBTi goal commitments & policies, https://www.aartipharmalabs.com/aarti-pharmalabs-imited-achieves-key-sustainability-milestone								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements *(listed entity has flexibility regarding the placement of this disclosure)*	Aarti Pharmalabs Limited is dedicated to integrating sustainability within our primary operations and strategic framework, as a science-led firm in the specialty chemicals and pharmaceutical intermediates industry. We understand that achieving durable value and ethical expansion depends on a foundation of robust Environmental, Social, and Governance (ESG) standards. For details, Refer to the Managing Director's message of the Annual report FY 2025-26.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Smt. Hetal Gogri Gala, Vice Chairperson & Managing Director (DIN: 00005499) and Shri Narendra J. Salvi, Managing Director (DIN: 00299202) are responsible for implementation and oversight of the Business Responsibility policies.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Company currently lacks a specific Board-level head for sustainability, the Risk Management Committee maintains oversight of major sustainability initiatives. Under the Board's direction, the Committee provides management with the necessary guidance to ensure that environmental and social impacts are thoroughly integrated into all strategic endeavors. The Risk Management Committee comprises Shri Rashesh C. Gogri, Smt. Hetal Gogri Gala, Shri Narendra J. Salvi, Shri Rajendra V. Gogri, Shri Parimal H. Desai and Dr. Vinay G. Nayak.								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was under taken by Director/Committee of the Board/Any other Committee					Frequency (Annually/Half yearly/ Quarterly/Any other – please specify)			
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All policies outlined have been approved by the Board and Senior Management of the Company. To ensure compliance and effectiveness, we conduct regular internal audits and reviews of all policies and processes. This ongoing evaluation guarantees that our policies and procedures align with industry standards and best practices.								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances									

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes, The Company is committed to the effective implementation of its policies through continuous internal reviews and has also engaged external experts for independent evaluations. We are currently in the process of obtaining third-party assurance for our sustainability indicators. For the current reporting period, an independent agency will be conducting a verification of the data integrity and management frameworks within our sustainability disclosures. This assessment will be performed in accordance with the AA1000AS v3 "Type 2 - Moderate" standard. Additionally, several of our business units participate in periodic third-party certification and auditing protocols.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors	1	During our Board Meetings, we provide the Board of Directors with consistent briefings on a range of subjects, including operational progress, project developments, financial budgeting, and corporate oversight. Furthermore, our instructional initiatives address essential areas such as ethics and code of conduct, anti-corruption and anti-bribery measures, human rights, occupational health and safety, compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, and diverse regulatory changes applicable to Key Managerial Personnel, staff, and workers.	83.33%
Key Managerial Personnel (Other than BoD)	1		100%
Employees other than BOD and KMPs	4339		100%
Workers			100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Principle 1: Businesses Should Conduct And Govern Themselves With Integrity And In A Manner That Is Ethical, Transparent And Accountable	The Office of the Assistant Commissioner, CGST and Central Excise, Circle-VIII, Vapi, Gujarat 396195	2,60,000.00	The Company has received an order under Section 74 of the CGST and SGST Acts, involving an alleged demand of ₹ 31,15,608/- inclusive of tax, interest, and penalty. The demand pertains to the alleged excess availment of Input Tax Credit and incorrect declaration of tax liability for the financial year 2022-23, 2023-24 based on discrepancies identified in the data submitted under GSTR-3B, GSTR-1, GSTR-9, GSTR-2A, and other records.	No
Settlement	Nil				
Compounding Fee					

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial Institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   APL maintains a comprehensive Vigil Mechanism and Code of Conduct rooted in the core tenets of sustainability. These policies place a high priority on the prevention of bribery and corruption, reflecting APL-s steadfast dedication to ethical business conduct. The Company mandates that all personnel strictly comply with these standards, ensuring every business interaction is characterised by fairness, honesty, and professional integrity. By explicitly forbidding any form of bribery or the seeking of improper advantages, the policy reinforces a culture of accountability and transparency, aligning APL-s operations with sustainable and responsible practices.

   For further information, please refer to,

   - Vigil mechanism Policy:

     https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf

   - Code of Conduct: https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf

5. **Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption.**

	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest**

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	0	-	0	-
Number of complaints received in relation to issues of conflict of interest of KMPs	0	-	0	-

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable as there were no fines or penalties reported during the reporting period.

8. **Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:**

	FY 2025-26	FY 2024-25
Number of days of accounts payables	92 days	103 days

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	29.60	19.04
	b. Number of trading houses where purchases are made from	193	118
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	20.19%	12.34
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	18	13
	b. Number of dealers/distributors to whom sales are made	235	148
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	50	6
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	10.14	11.38
	b. Sales (Sales to related parties/Total Sales)	5.60	8.84
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	94.01	90.59
	d. Investments (Investments in related parties/Total Investments made)	60.33	68.86

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
0	NA	0

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.

Yes. In accordance with the Board-approved Code of Conduct, APL has implemented systematic procedures to identify and address potential conflicts of interest. Company Directors are obligated to report any such conflicts and must abstain from participating in any related decision-making processes. Furthermore, the organisation holds routine training sessions to ensure continuous adherence to governance and ethical requirements.

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	2.14%	36.23%	Ductless Fume hoods, Scrubbers, Innovative technologies like flow reactors, etc.
Capex	24.98%	23.74%	Detectors, HVAC Units, Mechanical Vapour Recompression System, etc.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) - Yes

b. If yes, what percentage of inputs were sourced sustainably?

Yes, APL has implemented a robust Responsible Procurement Policy that serves as a strategic framework to embed sustainability across its value chain. This policy guides the Company in promoting ethical sourcing, environmental stewardship, and social responsibility. As part of this commitment, 57.76% of APL's key raw material suppliers have been assessed for alignment with the Company's sustainability standards.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The core of APL's waste management strategy is built upon the 3R principle—Reduce, Reuse, Recycle—which is applied across every operation and waste category. This framework underscores the Company's dedication to sustainable industrial practices and resource conservation. To ensure effective management, advanced systems are operational across all sites, prioritizing the reduction of waste at the source, the expansion of reuse initiatives, and the promotion of ethical recycling.

A. Plastic Waste: To ensure environmentally responsible processing, all plastic waste is systematically directed to authorised recyclers.

B. E-Waste: Disposing of electronic waste involves certified e-waste recyclers, which guarantees adherence to environmental standards.

C. Hazardous Waste: Handled in strict compliance with relevant regulations, hazardous waste is managed through incineration or landfilling at Common Hazardous Waste Treatment, Storage, and Disposal Facilities (CHWTSDFs). Furthermore, specific categories are transferred to authorised recyclers as mandated by consent conditions under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

This comprehensive approach enables APL to mitigate environmental impact while fostering a circular economy within its operations.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, APL maintains a waste collection strategy that is strictly synchronised with its Extended Producer Responsibility (EPR) framework, demonstrating a proactive stance on environmental management. Having secured its EPR objectives from the Central Pollution Control Board (CPCB), APL has commenced relevant implementation measures to fulfill these mandates. As a CPCB-registered entity for EPR compliance, the Company underscores its dedication to ethical post-consumer waste management and its role in fostering a sustainable circular economy.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover Contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web link.
210	Ramipril	6.82	Cradle to Gate	No	No
1104	Caffeine	33.83	Cradle to Gate	Yes	No
210	Ranolazine	3.32	Cradle to Gate	No	No
210	Venlafaxine HCl	3.40	Cradle to Gate	No	No
210	Fluticasone Propionate	3.62	Cradle to Gate	No	No
210	Mometasone Furoate	1.15	Cradle to Gate	No	No
210	Mometasone Furoate Monohydrate	1.82	Cradle to Gate	No	No
210	Budesonide	2.30	Cradle to Gate	No	No
210	PR-156	2.86	Cradle to Gate	No	No
210	PR-818	3.30	Cradle to Gate	No	No
210	VP-071	1.70	Cradle to Gate	No	No
210	VP-088	Not Manufactured in FY	Cradle to Gate	No	No
210	PR-178	0.76	Cradle to Gate	No	No

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

No. At present, no major environmental or social risks or concerns have been found through Life Cycle Assessments or other reviews concerning how Aarti Pharmalabs' products and services are produced or disposed of.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Due to the exacting safety, quality, and purity benchmarks necessary for pharmaceutical production, the Pharmaceutical Intermediates and Active Pharmaceutical Ingredients (API) divisions of APL do not presently incorporate recycled materials into their manufacturing workflows. Conversely, the Specialty Chemicals unit promotes resource conservation and waste minimization by implementing circular economy principles, specifically through the reuse of methanol as an input material.

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Methanol	21.99%	0.70%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format**

Product reclamation is not applicable due to the nature of APL's bulk chemical and pharmaceutical products. Packaging materials such as drums, containers, and cartons are partially reclaimed and processed through authorised vendors.

	FY 2025-26			FY 2024-25		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	232.66 MT	NIL	NIL	456.77 MT
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

As a B2B entity in the chemical and pharmaceutical industries, we primarily supply products in bulk to industrial clients, which makes end-of-life reclamation less applicable to our direct operations. Nevertheless, APL actively supports and manages the secure return and recycling of various packaging materials whenever such initiatives are viable (like EPR).

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. A. Details of measures for the well-being of employees

Category	% of employees covered by											
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	1,773	1,694	95.54	1,773	100	0	0	0	0	0	0
Female	126	107	84.92	117	92.86	126	100	0	0	0	0
Total	1,899	1,801	94.84	1,890	99.52	126	6.63	0	0	0	0
OTHER THAN PERMANENT EMPLOYEES											
Male	104	0	0	104	100	0	0	0	0	0	0
Female	30	0	0	30	100	30	100	0	0	0	0
Total	134	0	0	134	100	30	22.39	0	0	0	0

Note- For Other than permanent employees insurance covered under WC policy.

B. Details of measures for the well-being of workers

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
PERMANENT WORKERS											
Male	522	360	68.96	514	98.46	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	522	360	68.96	514	98.46	0	0	0	0	0	0
OTHER THAN PERMANENT WORKERS											
Male	1,635	0	0	0	0	0	0	0	0	0	0
Female	28	0	0	0	0	28	100	0	0	0	0
Total	1,663	0	0	0	0	28	1.68	0	0	0	0

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the Company	0.59%	0.43%

2. Details of retirement benefits for the current and previous financial year

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.) *	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	99.36	100	Y
Gratuity	100	100	Y	98.84	100	Y
Employee State Insurance (ESI)	4.89	29.50	Y	11.74	100	Y
Others	-	-	-	-	-	-

3. Accessibility of workplaces: Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. APL remains dedicated to maintaining a work environment that is both inclusive and accessible. The Company takes active steps to ensure its offices and premises are properly aligned with accessibility standards, as applicable.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes; The Company has integrated required stipulations within its Human Resources Policy that correspond with the Rights of Persons with Disabilities Act, 2016. To guarantee social security, the organisation maintains full compliance with all relevant employee-centric regulations. For more details https://www.aartipharmalabs.com/responsible-workforce

5. Return to work and retention rates of permanent employees that took parental leave.

Gender	Permanent Employees	
	Return to work rate	Retention rate
Male	NA	NA
Female	100%	80%
Total	100%	80%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Employees	Yes
Other than Permanent Employees	Yes
Permanent Workers	Yes
Other than Permanent Workers	Yes

7. Membership of employees in association(s) or unions

Category	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1,899	0	0	1,728	0	1,728
Male	1,773	0	0	1,626	0	1,626
Female	126	0	0	102	0	102
Total Permanent Workers	522	138	26.43	434	132	434
Male	522	138	26.43	434	132	434
Female	0	0	0	0	0	0

8. Details of training given to employees

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Male	1,773	1501	84.56	1462	82.46	1,630	1,630	100	1630	100
Female	126	108	85.71	79	62.70	102	102	100	102	100
Total	**1,899**	**1609**	**84.72**	**1541**	**81.15**	**1,734**	**1734**	**100**	**1734**	**100**
WORKERS										
Male	522	480	91.95	433	82.95	1,247	1,247	100	434	34.80
Female	0	0	0	0	0	26	26	100	0	0
Total	**522**	**480**	**91.95**	**433**	**82.95**	**1,273**	**1,723**	**100**	**434**	**25.18**

9. Details of performance and career development reviews of employees

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	1,773	1,562	88.10	1,726	1,398	81.00
Female	126	121	96.03	102	69	67.64
Total	**1,899**	**1,683**	**88.62**	**1,728**	**1,467**	**84.89**
WORKERS						
Male	522	502	96.17	434	312	71.89
Female	0	0	0	0	0	0
Total	**522**	**502**	**96.17**	**434**	**312**	**71.89**

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?

Yes. APL maintains an ISO 45001 certified occupational health and safety management system, demonstrating a steadfast commitment to the safety and health of its workforce. Guided by a vision of "Zero Incidents," the Company continually refines its safety protocols through systematic evaluations and proactive risk management. The "Safety First" legacy is enshrined in APL's comprehensive Health, Safety, and Environment (HSE) manual, which guarantees uniform execution across all sites and business operations.

APL nurtures a safety-centric culture through extensive awareness and training initiatives, reaching 100% of its employees and contractors. These persistent efforts are fundamental to upholding a sustainable, healthy, and safe working environment.

b. What are the processes used to identify work -related hazards and assess risks on a routine and non-routine basis by the entity?

APL identifies and evaluates occupational hazards through recurring consultations with its operational safety teams. Holding ISO 45001:2018 certification, the organisation maintains rigorous safety protocols to support its goal of operational excellence while prioritizing the health and welfare of its workforce through consistent training and evaluations. Standard safety practices at APL encompass Hazard Identification and Risk Assessment (HIRA), Management of Change (MOC), HAZOP for deviations in processes, and what-if analyses, alongside Quantitative Risk/Impact Assessments (QRA) during the project phase. Additionally, APL applies Job Safety Analysis (JSA) specifically to nonroutine tasks to strengthen safety measures and successfully mitigate potential dangers.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. To fortify safety at the workplace and enable effective hazard reporting by workers, Aarti Pharmalabs Limited has deployed various safety modules. These initiatives are structured in accordance with the PRO-SAFE -OWN IT (Predictive Risk Observation - Sustainability Assurance for Excellence -Own it) framework. The implemented modules encompass critical safety aspects, including safety perception survey, EHS-ESG maturity assessment, global audit compliance, risk portfolios and the identification of Unsafe Acts and Unsafe Conditions. The Company utilises digital tools like G-Suite, Updapt and the mySetu module to facilitate accessible reporting and ensure swift remedial actions. Emphasizing social security, the organisation follows a proactive and collaborative strategy to maintain a secure work environment for all its personnel.

d. Do the employees have access to non-occupational medical and healthcare services? (Yes/No)

Yes, Through extensive health and welfare initiatives, APL prioritises the well-being of its workforce. The Company ensures financial stability for its employees and workers by providing coverage under a Group Term Life Insurance Policy. Additionally, APL has established partnerships with hospitals to facilitate non-occupational medical care, including access to visiting physicians. To further promote a healthy and safe work environment, the Company also manages ongoing vaccination efforts to combat communicable diseases like tetanus and Hepatitis B.

11. Details of safety related incidents

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	0.00	0.00
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

APL is dedicated to maintaining a safe, healthy, and compliant work environment through its comprehensive Occupation Health & Safety as well as Environment policy. The Company ensures strict adherence to statutory requirements, such as the Factories Act of 1948, while driving continuous improvement in its safety standards. To bolster process safety, APL utilises structured hazard identification tools, including regular Hazard and Operability Studies (HAZOP) and detailed hazard checklists across all locations. Furthermore, a specialised Process Safety Laboratory is instrumental in identifying and mitigating potential risks for both existing operations and new process developments.

In line with the PRO-SAFE -OWN IT (Predictive Risk Observation - Sustainability Assurance for Excellence -Own it) framework, APL employs rigorous safety protocols, such as Management of Change (MoC), Pre-Start-Up Safety Reviews (PSSR), General Plant Condition (GPC) assessments, and a comprehensive Permit-to-Work system. To minimize exposure to hazardous materials, the Company has implemented engineering controls like enhanced air ventilation and advanced scrubbing units throughout its sites. APL has also established an Industrial Hygiene program focused on identifying and mitigating operational health risks. Workforce well-being is further supported through regular medical examinations for both permanent and contract staff, with onsite medical professionals available to address emergencies and work-related health issues.

To maximize individual safety, APL provides specialised Personal Protective Equipment (PPE) customised to the specific risks of each job role. Additionally, the Company's commitment to its workforce is demonstrated through the provision of compensation for workplace incidents, ensuring the continued health and safety of all personnel.

13. Number of complaints on the following made by employees

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	1	0	Resolved within timeline	0	0	-
Health and safety	0	0	-	0	0	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health and safety practices and working conditions.

To reduce radiant heat exposure during processing, insulation was installed on the top dish of reactors in one of the manufacturing plant.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of a. Employees (Y/N) and b. Workers (Y/N)

Yes, APL provides life insurance and compensatory aid to employees and workers alike in the event of a fatality. These provisions include group life insurance plans, ex-gratia assistance, and statutory compensation in accordance with relevant labor regulations.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

To monitor and ensure the adherence of its value chain partners to regulatory requirements, APL has established a comprehensive due diligence framework. This system incorporates periodic reviews of documentation, formal compliance affirmations, and systematic audits. These protocols are designed to verify that essential statutory obligations, including PF, ESI, and tax contributions, are accurately calculated and remitted by all service providers, contractors, and suppliers. Any identified instances of non-compliance result in mandatory remedial measures or the potential termination of the business relationship.

3. **Provide the number of employees having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/Workers		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

No. APL does not currently operate official transition assistance schemes for staff members who are retiring or leaving the organisation because of termination. Nevertheless, the business maintains full adherence to all necessary statutory requirements and standard exit protocols mandated by law.

5. **Details on assessment of value chain partners**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	57.76
Working conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No. Assessments of value chain partners regarding health and safety protocols and working environments have not revealed any major risks or issues necessitating remedial measures.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

APL identifies its primary stakeholders as investors, customers, board members, employees, suppliers, clients, regulatory authorities, and the wider community. We understand that our long-term viability and success depend on establishing trust and fostering collaborative partnerships with these groups. Central to our stakeholder engagement approach is a commitment to clear, honest, and regular communication. Over time, we have built robust, trust-based connections rooted in shared principles and mutual respect. Through consistent engagement across various platforms, we proactively listen to the requirements, goals, and concerns of our stakeholders—allowing us to remain responsive, forward-thinking, and strategically aligned. This ongoing exchange empowers us to co-create value and pursue collective sustainable growth.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Board and Committees	No	Presentations, reports, surveys, awareness sessions	Quarterly and as needed	Oversight of operations, business performance, risks and opportunities, strategy alignment, ESG initiatives, compliance, and crisis management.
Employees and Workers	No	Email, website, notice boards, training sessions, surveys	Daily	Engagement to foster a safe, inclusive workplace, provide updates on company and industry developments, encourage feedback and innovation, and support professional growth.

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	Supplier audits, meetings, topic-based engagement	Frequent and as needed	Ensure business continuity, quality compliance, address ESG parameters, and resolve product-related issues and feedback.
Customers	No	Customer meetings, audits, surveys, structured engagements	Frequent	Enhance market share, introduce new products, ensure fair business practices, and address customer feedback and queries.
Government and Regulators	No	Submissions, meetings, emails, website	Need-based	Compliance with regulations, facilitate product development and manufacturing, and uphold high standards of operational compliance.
Community	Yes	Physical visits, digital channels	Frequent and as needed	Support sustainable development, address local community needs, focus on health, education, gender equality, afforestation, and infrastructure development.
Investors/ Financial Partners	No	Investor meetings, conferences, earnings calls, press releases	Frequent and as needed	Provide updates on financial performance, strategic direction, sustainability goals, and significant events impacting the Company's performance.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how feedback from such consultations is provided to the Board.**

   APL maintains a systematic approach to stakeholder engagement regarding social, environmental, and economic issues through regular, formalised consultations. These initiatives, which include materiality assessments, feedback forums, and surveys, are managed by relevant functional heads and senior leadership. The Board of Directors engages directly through quarterly conference calls, and comprehensive insights from the broader stakeholder base are synthesised and delivered during quarterly ESG performance reviews and sustainability meetings. This organised framework guarantees that stakeholder viewpoints are effectively incorporated into the Board's strategic planning and decision-making processes.

   For more details, please visit our website: https://www.aartipharmalabs.com/concalls

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes. At APL, stakeholder engagement is fundamental to the process of recognizing and ranking significant social and environmental issues. As an illustration, a recent assessment of materiality integrated feedback from external groups—such as industry organisations, suppliers, and clients—which emphasised the importance of responsible procurement, worker safety and health, and climate initiatives. These perspectives were subsequently woven into the ESG strategic framework of APL, resulting in strengthened supplier evaluation methods, improved workplace safety programs, and more robust energy efficiency projects.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

Through specific CSR projects, welfare schemes, and transparent consultations, APL actively interacts with vulnerable and marginalised groups, including contract staff, local communities near its production facilities, and the economically underprivileged. The Company addresses regional requirements by implementing initiatives such as skill enhancement training, medical camps, and the development of sanitation infrastructure in adjacent rural locations. Furthermore, to promote equitable and secure labor practices, APL provides contract workers with dedicated grievance resolution systems and safety education programs.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
EMPLOYEES						
Permanent	1,899	1899	100	1728	1728	82.79
Other than permanent	134	134	100	4	4	0.00
Total Employees	**2,033**	**2033**	**100**	**1732**	**1728**	**78.58**
WORKERS						
Permanent	522	522	100	434	434	99.78
Other than permanent	1,663	1663	100	839	0	0.00
Total Workers	**2,185**	**2185**	**100**	**1273**	**434**	**46.65**

2. Details of minimum wages paid to employees

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Permanent	1,899	0	0	1,773	100	1,728	0	0	1,728	100
Male	1,626	0	0	1,626	100	1,626	0	0	1,626	100
Female	126	0	0	126	100	102	0	0	102	100
Other than Permanent	134	0	0	134	100	4	0	0	4	100
Male	104	0	0	104	100	4	0	0	4	100
Female	30	0	0	30	0	0	0	0	0	0
WORKERS										
Permanent	522	0	0	522	100	434	0	0	434	434
Male	522	0	0	522	100	434	0	0	434	434
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	1,663	1,663	100	0	0	839	839	100	0	839
Male	1,635	1,635	100	0	0	813	813	100	0	813
Female	28	28	100	0	0	26	26	100	0	26

3. A. Details of remuneration/salary/Wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹)	Number	Median remuneration/ salary/wages of respective category (₹)
Board of Directors (BoD) (including whole-time directors)	1	12,008,341.00	1	11,849,937.00
Key Managerial Personnel (other than BoD)	2	6,059,747.50	0	NA
Employees other than BoD and KMP*	2204	496,036.00	126	357,968.50
Workers	522	476,926.00	0	NA

B. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	4.34	3.84

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. APL remains steadfast in its dedication to protecting and promoting human rights throughout every facet of its business operations. This foundational commitment is integrated into the Company's corporate responsibility systems, with the Works Council assuming a vital role in supervising and enforcing adherence to these essential tenets.

At APL, we prioritize the protection of the rights, dignity, and personal freedoms of all individuals, including employees, workers, and external partners connected to our activities. Our organisation enforces a strict zero-tolerance policy against any actions that might violate human rights. We are dedicated to cultivating a work culture that is inclusive, supportive, and respectful, ensuring the comprehensive well-being of every person within our professional community.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

With a steadfast commitment to the well-being, dignity, and fundamental rights of everyone involved in its operations, Aarti Pharmalabs Limited has implemented a robust internal grievance redressal framework. This mechanism is specifically structured to ensure that any concerns pertaining to human rights are identified and resolved both swiftly and efficiently.

Cultivating an environment of transparency and openness, APL provides various communication channels that allow stakeholders and employees to seek assistance or report issues without any fear of reprisal. A specialised internal team is tasked with managing these grievances through a fair, confidential, and impartial process, ensuring all resolutions align with the ethical principles of the organisation. To maintain a respectful, inclusive, and secure workplace, APL is dedicated to the ongoing enhancement of its grievance redressal processes.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

APL maintains a rigorous zero-tolerance stance toward any instance of sexual harassment within the workplace. Dedicated to fostering a secure and respectful professional atmosphere, the Company has established a comprehensive framework for grievance resolution through its Prevention of Sexual Harassment (PoSH) policy. Precise standards for workplace conduct, along with extensive prevention and redressal protocols, are explicitly detailed in APL's HR Policy Manual and Code of Conduct. Participation in mandatory PoSH training is required for all staff members during the onboarding process, supplemented by periodic refresher courses designed to maintain high levels of awareness and adherence. Furthermore, APL has formed a specialised Internal Complaints Committee (ICC) to manage reports with impartiality, confidentiality, and speed. This committee is central to the investigation and monitoring of incidents, taking necessary measures to uphold the dignity and rights of every individual.

9. Do human rights requirements form part of your business agreements and contracts?

Yes; To ensure a balanced, just, and sustainable competitive landscape for all stakeholders, APL incorporates human rights clauses into every one of its business agreements and contracts.

10. Assessments for the year

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify (Health & Safety)	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not applicable. The assessments mentioned in Question 9 did not reveal any major risks or issues that necessitated corrective measures, making this requirement not applicable.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

To date, addressing complaints or grievances related to human rights has not necessitated the introduction or modification of any particular business processes. APL proactively manages such matters through its established Code of Conduct and grievance redressal system, ensuring a work environment that is inclusive and respectful.

2. Details of the scope and coverage of any human rights due diligence conducted.

APL integrates human rights due diligence into its broader risk management and compliance frameworks. The scope of these evaluations encompasses key areas such as fair worker treatment (covering third-party and contractual personnel), non-discrimination, the prevention of forced and child labor, and the maintenance of safe work environments. Assessments are systematically carried out across the entity's internal operations and within specific value chain partnerships, with a particular focus on those located in high-risk regions or industry categories.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. APL remains dedicated to fostering an accessible and inclusive workspace. The organisation ensures that its various offices and premises are properly aligned with these standards to the fullest extent possible.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	57.76
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not applicable. There have been no significant risks or concerns identified from the assessments referenced in Question 4 that required corrective action.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A) in GJ	80,855.71	40,110.97
Total fuel consumption (B) in GJ**	94,526.04	1,93,649.99
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C) in GJ**	**1,75,381.75**	**2,33,760.96**
From non-renewable sources		
Total electricity consumption (D) in GJ	2,46,351.97	4,00,858.37
Total fuel consumption (E) in GJ	3,91,173.67	6,60,575.88
Energy consumption through other sources (F) in GJ	1,45,030.83	2,38,163.99
Total energy consumed from non-renewable sources (D+E+F) in GJ	7,82,556.47	12,99,598.24
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) GJ/₹	0.000043	0.000073
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)*	0.000885	0.001515
Energy intensity in terms of physical output (GJ/kg of production)	0.009857	0.006099

* PPP – IMF conversion factors for FY 202526: 20.34 and FY 2024-25: 20.66

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water.

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	4,31,202.81	4,31,675.00
(iv) Seawater/desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,31,202.81	4,31,675.00
Total volume of water consumption (in kilolitres)	4,31,202.81	4,31,675.00
Water intensity per rupee of turnover		
(Total water consumption/Revenue from operations)	0.00002398	0.00002437
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption/Revenue from operations adjusted for PPP)	0.000488	0.000504
Water intensity in terms of physical output (KL/Kg of production)**	0.005431	0.002025

* PPP – IMF conversion factors for FY 2025-26: 20.34 and FY 2024-25: 20.66

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, APL has implemented a comprehensive mechanism to achieve Zero Liquid Discharge (ZLD) across all its units. The Company ensures 100% recycling of liquid waste generated and has established the necessary infrastructure and systems to comply with ZLD conditions specified by the MPCB's/GPCB's Consent to Operate (CTO) requirements. This commitment highlights APL's dedication to sustainable practices and responsible waste management.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	tonne	139.36	200.28
SOx	tonne	610.95	481.68
Particulate matter (PM)	tonne	335.16	542.83
Persistent organic pollutants (POP)	tonne	-	-
Volatile organic compounds (VOC)	tonne	-	-
Hazardous air pollutants (HAP)	tonne	-	-
Others – please specify	tonne	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	92,294.78	73,461.10
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	63,582.46	105,577.65
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent per Rupee	0.0000087	0.00001011
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)*	Metric tonnes of CO_2 equivalent per Rupee	0.000176	0.000209
Total Scope 1 and Scope 2 emission intensity in terms of physical output**	Metric tonnes of CO_2 equivalent per Kg of production	0.00196	0.00084

* PPP – IMF conversion factors for FY 2025-26: 20.34 and FY 2024-25: 20.66

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, APL has demonstrated its dedication to sustainable energy through the installation of a solar power project in Maharashtra's Akola district. This project focuses on utilizing solar energy to decrease the organisation's carbon footprint and encourage the adoption of renewable resources. These installations supplied renewable electricity to the manufacturing sites in Maharashtra, resulting in a reduction of 16,644.24 tCO_2e in Scope 2 emissions. Furthermore, APL integrated biofuel-powered boilers to lower Scope 1 emissions. In order to ensure the timely implementation of its greenhouse gas (GHG) mitigation initiatives, the firm has secured validation for its emission goals from the Science Based Targets initiative (SBTi); these objectives are on course for successful fulfillment.

Additionally, the Company is currently working on implementing a solar energy solution for the Atali site cluster in Gujarat.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	357.69	166.37
E-waste recycled (B)	1.37	2.48
Bio-medical waste (C)	0.15	1.55
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	5.47	0.45
Radioactive waste (F)	0.00	0.00
Other Hazardous Waste. Please specify, if any. (G)	25,791.18	14,119.64

Parameter	FY 2025-26	FY 2024-25
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	73.69	1,259.55
Total (A+B + C + D + E + F + G + H)	26,229.55	15,550.04
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.00000146	0.00000088
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.000030	0.000018
Waste intensity in terms of physical output (MT of Waste per kg of production)	0.00033	0.000073
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	12,835.85	5,561.05
(ii) Re-used	0.00	17.39
(iii) Other recovery operations	0.0	0.0
Total	12,835.85	5,578.44
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	6,047.50	738.78
(ii) Landfilling	9,465.15	9,229.93
(iii) Other disposal operations	0	0
Total	15,512.65	10,052.63

* PPP – IMF conversion factors for FY 2025-26: 20.34 and FY 2024-25: 20.66

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Reflecting a steadfast dedication to sustainability, APL has established an environmentally responsible and comprehensive waste management framework. The Company has created a systematic strategy that meets top-tier industry benchmarks and regulatory requirements, acknowledging the vital need to reduce its ecological impact. This structured approach encompasses the precise identification, segregation, handling, processing, and secure disposal of various waste streams. Key priorities of this system include decreasing waste at its origin, enhancing opportunities for recycling and repurposing, and guaranteeing the safe management of hazardous materials.

To further its commitment to minimizing the utilisation of toxic substances and mitigating waste generation at the initial stages of production, Aarti Pharmalabs Limited (APL) has implemented several key initiatives:

- **Integration of Green Chemistry Principles:** By employing hazard checklists during the product development phase, APL has systematically integrated green chemistry principles into its design processes. Currently, over 60 new stages have undergone assessment, with 58 attaining satisfactory results for the use of safer materials. In two specific instances where risks were identified, processes were remediated to substitute hazardous substances with more secure alternatives.
- **Valorisation of By-Products:** APL has developed a proprietary methodology within the Xanthine product line to process and repurpose by-products as valuable resources. This innovation promotes circularity and sustainable resource utilisation while simultaneously reducing waste output.
- **Emission Abatement:** To ensure the maintenance of superior air quality, APL facilities utilise advanced scrubbing technologies designed to effectively capture and manage emissions, thereby preventing the release of hazardous pollutants into the atmosphere.

- **Advanced Wastewater Management:** The organisation has invested in sophisticated treatment systems, including Agitated Thin Film Dryers (ATFD), Multiple-Effect Evaporators (MEEs), and Reverse Osmosis (RO), to facilitate the reclamation and repurposing of water from industrial operations. Furthermore, Sewage Treatment Plants (STPs) manage domestic waste, while Mechanical Vapour Recompression (MVR) units are deployed for the treatment of industrial effluent.
- **Zero Liquid Discharge (ZLD) Mandate:** Reaffirming its role as a steward of the environment, APL has instituted a Zero Liquid Discharge mandate across all operational units. This policy ensures the internal treatment and total reuse of all wastewater, effectively precluding any liquid discharge into the surrounding environment.

Through these focused actions, APL continues to bolster its ecological performance, minimize its environmental footprint, and support the growth of a circular and sustainable manufacturing sector.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details.

None of our operational sites are situated in ecologically sensitive areas

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

No, during the reporting year there were no projects eligible for undertaking the EIA.

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

Yes, APL maintains comprehensive adherence to all pertinent statutory requirements, including the Environmental Protection Act (1986), the Water (Prevention and Control of Pollution) Act (1974), and the Air (Prevention and Control of Pollution) Act (1981). The organisation prioritizes consistent oversight to ensure that these rigorous environmental benchmarks are met throughout its operations.

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area: Tarapur and Vapi

Note: As per WRI Aqueduct tool (Version 4.0). Sites with water stress High (40% to 80%) are considered

(ii) Nature of operations: Manufacturing of API, Intermediates, New Chemical Entities & Xanthine derivatives

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	3,99,773.00	4,06,813.00
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	3,99,773.00	4,06,813.00
Total volume of water consumption (in kilolitres)	3,99,773.00	4,06,813.00
Water intensity per rupee of turnover (Water consumed/turnover) KL/₹	0.000022	0.000023
Water intensity per kg of production KL/kg	0.0050	0.0019
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0

Parameter	FY 2025-26	FY 2024-25
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	228625	1,74,599.14
Under Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent per Rupee	0.00001272	0.000009856
Total Scope 3 emission intensity in terms of physical output	Metric tonnes of CO_2 equivalent per kg of production	0.00288	0.0008194

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable. Aarti Pharmalabs Limited does not have any significant direct or indirect impact on biodiversity in ecologically sensitive areas, as reported in Question 11 of the Essential Indicators. Therefore, no specific prevention or remediation activities are applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Renewable Electricity Generation Plant	We have installed a 15 MW AC solar power plant in Akola, which supplies renewable electricity to the Tarapur & Dombivli cluster	84,393.32 GJ energy savings done in the fiscal year through Solar plant
2	Improvement of Efficiency of Equipment	We have an inhouse turbine system at T6 unit.	4,234 GJ energy through turbine. (Reduced total carbon footprint through improved equipment efficiency by 17479 tCO_2e)
3	Increase in use of Recycle Water	Optimisation of existing recycle water facilities.	22.12% recycled water usage increased compared to last year.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes. To maintain seamless operations during unexpected occurrences like pandemics, industrial mishaps, or natural catastrophes, Aarti Pharmalabs Limited has established a comprehensive Business Continuity and Disaster Management Plan. This framework incorporates recovery plans, emergency reaction procedures, risk evaluations, and regular drills at vital production facilities. To preserve the strength of its supply chain, the firm also implements safety stock oversight, backup infrastructure, and communication frameworks. These disaster readiness strategies are subject to frequent updates and reviews to stay aligned with changing regulatory mandates and emerging risks.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

APL has not identified any major negative environmental consequences resulting from its value chain operations. Nevertheless, the organisation proactively performs environmental due diligence for designated high-risk suppliers as a cautionary strategy. Furthermore, to mitigate potential ecological hazards, the Company advocates for sustainable manufacturing methods and requires the engagement of authorised partners for the management, transport, and elimination of waste.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Approximately 57.76% of value chain partners were assessed for environmental impacts, focusing on those with high materiality or risk potential—such as raw material suppliers, logistics providers, and waste management vendors.

8. How many Green Credits have been generated or procured:

a. By the listed entity – None

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners - None

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

- UN Global Compact Network India (UNGCI): Participant (UNGC ID 158367)
- Maharashtra Industrial Development Corporation (MIDC)/Local Industrial Associations
- Tarapur Industries Manufacturers' Association (TIMA)
- Tarapur Environment Protection Society (TEPS)
- Bombay Chamber of Commerce and Industry
- Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to:

- UN Global Compact Network India (UNGCI): Participant (UNGC ID 158367)
- Maharashtra Industrial Development Corporation (MIDC)/Local Industrial Associations
- Tarapur Industries Manufacturers' Association (TIMA)
- Tarapur Environment Protection Society (TEPS)
- Bombay Chamber of Commerce and Industry
- Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Nil. No adverse orders received from regulatory authorities.

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

   None. Aarti Pharmalabs Limited has not formally advocated for any public policy positions as of now.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Not Applicable, the Company has not undertaken any SIA during the reporting period.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

   Not Applicable, the Company has not undertaken any projects which required R&R.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Dedicated to its role as a socially responsible organisation, APL prioritizes the cultivation of strong, constructive ties with the local communities adjacent to its operational sites. To strengthen corporate accountability and openness, the Company is implementing a formalised grievance redressal framework specifically for these stakeholders. This initiative provides a dedicated channel for community residents to express concerns, offer input, and resolve issues related to the Company's activities. APL understands the vital necessity of proactive community involvement and believes this mechanism will serve as a cornerstone for transparent communication and the reinforcement of mutual trust.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/small producers	62.30%	13.56%
Sourced directly from within the district and neighbouring districts	53.59%	19.77%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26	FY 2024-25
Rural	5.44	0
Semi-Urban	26.33	29.64
Urban	36.02	38.99
Metropolitan	32.22	31.37

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)**

   No significant negative social impacts were identified in the Social Impact Assessments conducted by Aarti Pharmalabs, hence no mitigation actions were required.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies**

   During the reporting period, Aarti Pharmalabs Limited actively contributed to the development of government-designated Aspirational Districts by implementing targeted CSR initiatives. Notably, we drove Education, Skill Development, and Rural Development projects in the Aspirational Districts of Sonbhadra (Uttar Pradesh) and Gaya (Bihar). Beyond these regions, the Company continues to implement robust initiatives focused on healthcare, sanitation, ecological balance, and holistic community development across multiple other districts, including Mumbai, Kutch, Palghar, and Banaskantha

3. a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

No. Aarti Pharmalabs does not currently have a formal preferential procurement policy targeting marginalised or vulnerable groups.

b. **From which marginalised/vulnerable groups do you procure? What percentage of total procurement (by value) does it constitute?**

Not applicable, as there is no formal preferential procurement policy in place.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

None. Aarti Pharmalabs has not derived or shared any benefits from intellectual properties based on traditional knowledge during the current financial year.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not applicable. There have been no adverse orders or disputes related to intellectual property involving traditional knowledge for Aarti Pharmalabs during the reporting period.

6. **Details of beneficiaries of CSR Projects**

S. No.	Project	SDGs	No. of persons benefitted	% of beneficiaries from vulnerable and marginalised groups
1	Education & Skill Developement	SDG 4	1,797	31.30%
2	Healthcare Initiative	SDG 3	13,037	
3	Tribal and Rural Development	SDG 10	5,02,200	
4	Green Environment & Water Conservation	SDG 6, SDG 13	3000 Plants	
5	Livestock Developement	SDG 15	Not Applicable	
6	Others (Livelihood & Senior Citizen Welfare, Housing Aid)	SDG 1, SDG 5 & SDG 11	5,022	

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

APL has implemented a comprehensive framework to manage and settle customer grievances effectively. The marketing department acts as the central hub for receiving feedback, ensuring that issues are immediately redirected to the Quality department for specialised review. We are committed to the rapid and effective resolution of all concerns. To maintain our rigorous quality benchmarks, a proficient Quality team conducts thorough investigations into every complaint to establish the necessary corrective measures. By utilizing this resolution process to drive continuous improvement in our offerings, APL remains dedicated to fulfilling customer needs and deepening our professional relationships.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	The entity maintains a 100% disclosure rate for applicable products by providing comprehensive safety data sheets to its customers. As our products are not distributed via retail channels in their original form, traditional consumer-facing product information is not applicable. We ensure that essential safety and handling details are shared whenever necessary and as required by industry standards.
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the Year	Pending resolution at end of year		Received during the Year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	1	0	-	5	0	-
Others	30	4	APL shall ensure timely resolution of all the pending complaints	39	3	All pending complaints closed in reporting year.

4. **Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, APL has implemented strict protocols and frameworks designed to safeguard private data and uphold information secrecy. Our commitment to data protection is underscored by an Information Security policy endorsed by the Board, which details the specific safety actions we have put into effect.

For more details, please refer to the policy via the following web link: https://www.aartipharmalabs.com/investors/information-security-policy.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

No incidents reported hence no corrective actions

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Comprehensive details regarding the Company's products and services are available on the official APL's website. The "Products & Services" segment features specific categories, including APIs, CDMO services, intermediates, caffeine and xanthine derivatives, and acid and allied products. This digital interface serves as the primary resource for customers to investigate APL's diverse range of solutions.

For more details, please refer to the product and services via the following web link:

https://www.aartipharmalabs.com/products-and-services

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

APL is deeply committed to product stewardship and safety, conducting thorough evaluations of every product based on its specific exposure and hazard profiles. To support clients and downstream users, the Company offers customised technical assistance, comprehensive safety instructions, and specialised training. Additionally, APL provides logistical coordination and expert advice on environmental, health, and safety (EHS) matters. By systematically gathering customer feedback, they ensure that safety protocols and product usage guidelines are under constant review and continuous refinement.

3. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes. APL exceeds legal labeling requirements by offering extensive product stewardship data and additional safety resources. This commitment ensures that clients are thoroughly educated on chemical risks, appropriate handling procedures, and effective hazard reduction strategies. Furthermore, the Company systematically collects consumer input regarding the health and safety of its offerings. Although these efforts are not categorised as formal surveys, such feedback channels are fundamental to APL's product stewardship goals and ongoing process enhancements.

4. **Provide the following information relating to data breaches**

   a. **Number of instances of data breaches along with impact -** Nil

   b. **Percentage of data breaches involving personally identifiable formation of customer –** Nil

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AARTI PHARMALABS LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of **Aarti Pharmalabs Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Accuracy, Completeness and Disclosure with reference to Ind AS 16 of Property, Plant and Equipment (including Capital Work-in-Progress)** The carrying value of property, plant and equipment (including capital work-in-progress) as on 31st March 2026 of Rs. 1,64,112.91 Lakhs (as on 31st March 2025 of Rs. 1,31,438.91 Lakhs) includes Rs. 40,417.38 Lakhs capitalised / transferred from capital work-in-progress during the year (Rs. 16,904.86 Lakhs for FY 2025). Cost recognition of Property, Plant and Equipment as specified in Ind AS 16 is based on completion of asset construction activities and management assessment and judgement that the asset is capable of operating in the manner intended. The asset capitalisation is the outcome of various procurements, approvals from operations experts in the Company and judgements by the management and therefore, required significant audit attention. Refer Note 4: Property, Plant and Equipment in Notes to the Standalone Financial Statements.	Our audit procedures, amongst others, included the following: • Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure. • Assessing the Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment, including Capital Work-in-Progress, with reference to Ind AS 16. • Reviewing management judgment pertaining to estimation of useful life and depreciation of Property, Plant and Equipment, as well as its assessment that the asset is ready for its intended use. • Verifying the capitalisation of borrowing cost incurred on qualifying assets in accordance with Ind AS 23: Borrowing Costs. • Ensuring adequacy of disclosures in the standalone financial statements.

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
2	**Accounting for Derivative Financial Instruments** The Company uses derivative financial instruments, primarily foreign exchange forward contracts, to manage its exposure to foreign currency risk arising from anticipated transactions and recognised financial assets and liabilities. These instruments are measured at fair value at each reporting date under Ind AS 109, with fair value movements recognised either in the Statement of Profit and Loss or in Other Comprehensive Income, depending on hedge designation. The matter required significant audit attention given the judgement involved in fair value determination, hedge designation and effectiveness testing, and the classification of fair value movements between the Statement of Profit and Loss and Other Comprehensive Income. Refer Notes 39, 40 and 41(n) to the Standalone Financial Statements.	Our audit procedures, amongst others, included the following: • Obtaining a listing of derivative contracts outstanding at the reporting date and reconciling it to signed contract documentation and mark-to-market statements received from counterparty banks. • Obtaining an independent valuation of derivative positions with the involvement of an auditor's expert engaged under SA 620 and investigating differences with counterparty mark-to-market statements. • For derivatives designated as hedging instruments, evaluating the hedge designation documentation, eligibility under Ind AS 109, and the methodology and results of hedge effectiveness testing. • Evaluating the classification of fair value movements between the Statement of Profit and Loss and Other Comprehensive Income, and the related deferred tax. • Evaluating the accounting treatment for cash settlements and reclassifications from the Cash Flow Hedge Reserve to the Statement of Profit and Loss on settlement of hedged transactions. • Evaluating the adequacy of disclosures under Ind AS 107 and Ind AS 113.

EMPHASIS OF MATTER

We draw attention to Note 41(n) to the standalone financial statements, which describes the recognition during the year of a foreign exchange derivative contract entered into during FY 2024-25 that had not been included in the fair value calculations made by the Company for that year. The omission was identified by the Management during the preparation of these standalone financial statements, and the resulting fair value impact has been recorded in the current year. The fair value impact at 31st March 2025 was assessed not to be material to the financial statements of FY 2024-25, and accordingly comparative figures have not been restated. The full fair value impact has been recognised in the Statement of Profit and Loss during the year ended 31st March 2026.

Our opinion is not modified in respect of this matter.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures thereto, Business Responsibility and Sustainability Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon, which we expect to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

INDEPENDENT AUDITOR'S REPORT

When we read the additional information mentioned above that will be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) in evaluating the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

2. As required by Section 143(3) of the Act, based on our audit 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, except for the matters stated in paragraph 2(i)(vi) below regarding the audit trail in the SaaS accounting software, in respect of which we are unable to express an opinion.

   (c) The Balance Sheet, the Statement of Profit and 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 accounts.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) The modification arising from the maintenance of the audit trail on the SaaS accounting software used by the Company, in respect of the database-level audit trail and configuration controls managed by the third-party service provider, is as stated in paragraph 2(i)(vi) below on reporting under Rule 11(g).

   (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   (h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   (i) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position – Refer Note 35 to the standalone financial statements.

INDEPENDENT AUDITOR'S REPORT

ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note No. 41 to the standalone financial statements, 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, as disclosed in Note No. 41 to the standalone financial statements, 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; and

(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. As stated in Note 14 to the standalone financial statements:

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year, is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used a Software-as-a-Service ("SaaS") accounting software operated by a third-party service provider on a public cloud platform for maintaining its books of account. We have verified, on a test-check basis, that the software has a feature of recording audit trail (edit log) at the transaction level capturing the user, date and details of changes, and the same was operative for the transactions test-checked. The configuration controls preventing the audit trail from being disabled, and the underlying database-level audit trail, are managed exclusively by the service organisation and are not independently verifiable by us. The Independent Service Auditor's Report under ISAE 3402 made available to us covers the underlying cloud infrastructure and platform controls but does not specifically address audit trail

INDEPENDENT AUDITOR'S REPORT

maintenance in line with the requirements of the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014. Accordingly, we are unable to comment on whether the audit trail feature was operated throughout the year for all relevant transactions recorded in the software, or whether there were any instances of the audit trail feature being tampered with.

The audit trail of the previous financial year ended 31st March 2025, which was generated in the on-premise accounting software then used by the Company, has been preserved by the Company as per the statutory requirements for record retention. The exception reported in the previous year in respect of the database-level audit trail continues to apply.

For Gokhale & Sathe,
Chartered Accountants
FRN: 103264W

Uday Girjapure
Partner
Membership No.: 161776
UDIN: 26161776XUESNX4319

Place: Mumbai
Date: 25th May 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Pharmalabs Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right-of-use assets and capital work-in-progress.

(B) The Company is maintaining proper records showing full particulars of intangible assets as at the year end.

(b) The Property, Plant and Equipment of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification which were not properly dealt with in the books of accounts in the current year.

(c) According to the information and explanations given to us, the records examined by us and based on examination of the copies of the Sale Deed / Conveyance Deed / Transfer Deed and land revenue records provided to us, we report that the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment, are held in the name of the Company as at the balance sheet date, except for the freehold land set out below. In respect of immovable properties of land that have been taken on lease and disclosed separately in Property, Plant and Equipment in the financial statements, the lease agreements are in the name of the Company itself. The details of the immovable property whose title deed is not held in the name of the Company are as follows:

Description of the Property (Freehold Land)	Gross Carrying Value (Rs. in Lakhs)	Held in the Name of	Whether promoter, director or their relative or employee	Period held (since)	Reason for not being held in the name of company. Also indicate if in dispute and period for which it has been held
Atali Site	3,858.72	Aarti Industries Limited	No	2021	Properties were transferred from Aarti Industries Limited under Scheme of Demerger approved by the NCLT vide order dated 21st September 2022 w.e.f. 01st July 2021. As informed to us, the transfer of title deed in the name of the Company is pending with the Authorities for completion of some procedural part.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.

(e) On the basis of information provided by management, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and, in our opinion, the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed and discrepancies, if any, are properly dealt with by the Management of the Company.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and/or financial institutions during the year on the basis of security of current assets. According to the information and explanations given to us, and as mentioned in note no 16(3) to the standalone financial statements, the quarterly returns/statements filed by the Company with such banks and/or financial institutions are not in agreement with the books of account in respect of the quarters set out below, the details of which are as follows:

(₹ in Lakhs)

Quarter ended	Name of bank/ financial institution	Particulars of current asset (e.g. Inventory)	Amount as per quarterly return / statement	Amount as per books of account	Difference (return less books)	Reason for difference
March 2026	Kotak Mahindra Bank, ICICI Bank, Axis Bank, Standard Chartered Bank and IDBI Bank	Hypothecation of Inventories	63,980.00	63,621.37	358.63	Refer note (a) below
December 2025			61,047.00	65,116.87	(4,069.87)	
September 2025			62,494.00	61,208.32	1,285.68	
June 2025			59,465.00	59,678.95	(213.95)	
March 2026	Kotak Mahindra Bank, ICICI Bank, Axis Bank, Standard Chartered Bank and IDBI Bank	Hypothecation of book debts	59,094.00	58,655.22	438.78	Refer note (b) below
December 2025			51,630.00	51,364.08	265.92	
September 2025			41,351.00	45,840.96	(4,489.96)	
June 2025			42,098.00	42,430.26	(332.26)	

(a) Stock: The differences arise from the basis on which the statements filed with the banks are compiled and comprise principally the effect of the measurement requirements applicable to inventories, adjustments to the carrying value of inventories determined on completion of the valuation exercise for the respective quarter, and the effect of revenue cut-off adjustments, consequent to which goods dispatched in the vicinity of the quarter end were considered as part of closing inventory in the books of account.

(b) Book debts: The differences arise from the basis on which the statements filed with the banks are compiled and comprise principally the effect of the measurement and classification requirements under Ind AS 115, customer advances and credit balances that are set off in the books of account, allowances for expected credit losses, and regroupings and adjustments recorded on completion of the periodic closing procedures for the respective quarter.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans, investments, guarantees and security:

(a) The Company has not granted loans, advances in the nature of loans, or provided any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year, except as given below. No new loans have been granted during the year. Only interest has accrued on the existing loan, and the closing balance has been accordingly accumulated.

Particulars	INR in Lakhs
Aggregate amount granted during the year: Aarti Ventures Private Limited	-
Balance outstanding as at Balance Sheet date in respect of above cases: Aarti Ventures Private Limited	777.54

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, and the terms and conditions of the loans granted in the earlier years, are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and based on our examination of the records, in respect of the loan given to Aarti Ventures Private Limited as mentioned above, there is no stipulation of schedule of repayment of principal and payment of interest, and hence we are unable to comment on the regularity of repayment of principal and payment of interest.

(d) Since there is no stipulated repayment schedule for the loan to Aarti Ventures Private Limited as mentioned above, there is no overdue amount for more than ninety days.

(e) According to the information and explanations given to us and based on our examination of the records of the Company, since there are no stipulated due dates for repayment of principal or payment of interest in respect of the loan granted to Aarti Ventures Private Limited as mentioned above, the question of any such loan being renewed, extended, or fresh loans being granted to settle overdues of existing loans does not arise.

(f) According to the information and explanations given to us and based on our examination of the records of the Company, the aggregate amount of loans granted to related parties as defined in clause (76) of Section 2 of the Companies Act, 2013 stood at Rs. 777.54 Lakhs (inclusive of accrued interest) as on 31st March 2026, which constitutes 100% of the total loans granted by the Company. There were no loans granted to parties other than related parties during the year (excluding loan to employees).

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made and loans and advances in the nature of loans.

v. The Company has not accepted deposits or amounts which are deemed as deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities during the year, except that tax deducted at source on provisions for expenses has been deducted and deposited by the Company on the basis of actual invoice booked, rather than on provisions at the quarter end. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on the records of the Company examined by us, there were no disputed statutory dues relating to Income Tax, Goods & Services Tax, Customs Duty, Excise Duty, States' respective Sales Tax, Service Tax and other statutory dues which have not been deposited on account of any disputes as on 31st March 2026.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues on borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(c) In our opinion and according to the information and explanations given to us, the Company has utilised the money obtained by way of term loans for the purposes 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.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has made allotment of 23,127 equity shares to eligible employees pursuant to the Employee Stock Option Plan. The requirements of Section 62(1)(b) of the Companies Act, 2013 have been complied with.

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

(b) As informed by the management, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there were no whistle-blower complaints received by the Company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion and on the basis of explanation / information provided by the management, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence the provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, based on the information and explanations provided to us, there is no Core Investment Company forming part of the group of which the Company is a part, as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provisions of sub-section (6) of Section 135 of the said Act.

xxi. The reporting under Clause (xxi) of the Companies (Auditor's Report) Order, 2020 is applicable only in respect of the audit of consolidated financial statements. Since this report pertains to the audit of the standalone financial statements of the Company, no reporting is required to be made under this clause.

For Gokhale & Sathe,
Chartered Accountants
FRN: 103264W

Uday Girjapure
Partner
Membership No.: 161776
UDIN: 26161776XUESNX4319

Place: Mumbai
Date: 25th May 2026

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Pharmalabs Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of Aarti Pharmalabs Limited (the "Company") as of 31st March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March 2026, based on the criteria for internal financial control with reference to financial statements 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 ICAI.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to financial statements 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

• provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

For Gokhale & Sathe,
Chartered Accountants
FRN: 103264W

Uday Girjapure
Partner
Membership No.: 161776
UDIN: 26161776XUESNX4319

Place: Mumbai
Date: 25th May 2026

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2026

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
(I) Non-Current Assets			
(a) Property, plant and equipment	4	1,33,591.82	1,01,346.46
(b) Capital work-in-progress	4	30,521.09	30,092.45
(c) Right to use assets	4	6,553.43	1,530.38
(d) Other intangible assets	4	3,601.37	3,055.44
(e) Intangible assets under development	4	8,787.35	6,777.13
(f) Financial Assets			
(i) Investments in subsidiaries and joint ventures	5.1	1,351.62	1,351.62
(ii) Other investments	5.2	3,050.36	2,763.79
(iii) Loans	6.1	777.54	730.13
(iv) Other financial assets	7.1	3,517.41	1,345.09
(g) Other non-current assets	8.1	1,681.30	2,088.23
Total Non-Current Assets (I)		**1,93,433.28**	**1,51,080.72**
(II) Current Assets			
(a) Inventories	9	63,621.37	54,422.44
(b) Financial Assets			
(i) Investments	5.3	-	1,587.77
(ii) Trade Receivables	10	58,655.22	55,259.04
(iii) Cash and Cash Equivalents	11	553.67	283.51
(iv) Bank Balance Other than (ii) above	12	108.56	68.54
(v) Loans	6.2	49.57	75.81
(vi) Other Financial Assets	7.2	-	116.42
(c) Current Tax Assets (Net)	13	993.52	316.92
(d) Other Current Assets	8.2	15,361.29	8,751.97
Total Current Assets (II)		**1,39,343.21**	**1,20,882.43**
TOTAL ASSETS (I+II)		**3,32,776.47**	**2,71,963.15**
EQUITY AND LIABILITIES			
(I) Equity			
(a) Equity Share Capital	14	4,532.89	4,531.73
(b) Other Equity	15	1,93,702.17	1,79,855.37
Total Equity (I)		**1,98,235.06**	**1,84,387.10**
Liabilities			
(II) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16.1	18,581.14	10,355.56
(ii) Lease Liabilities	17.1	5,217.60	1,166.89
(iii) Other Financial Liabilities	18	3,935.98	1,500.00
(b) Provisions	19.1	785.18	708.85
(c) Deferred Tax Liabilities (Net)	20	13,433.20	11,968.63
Total Non-Current Liabilities (II)		**41,953.10**	**25,699.92**
(III) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16.2	49,982.30	29,129.95
(ii) Lease Liabilities	17.2	1,655.09	496.23
(iii) Trade Payables Due to	21		
- Total outstanding dues of micro and small enterprises	(a)	116.72	939.85
- Total outstanding dues of creditors other than micro and small enterprises	(b)	32,313.04	23,957.00
(iv) Other Financial Liabilities	22	6,368.58	4,662.79
(b) Provisions	19.2	1,122.05	1,053.89
(c) Other Current Liabilities	23	1,030.53	1,636.41
Total Current Liabilities (III)		**92,588.32**	**61,876.12**
Total Liabilities (II+III)		**1,34,541.42**	**87,576.05**
TOTAL EQUITY AND LIBILITIES (I+II+III)		**3,32,776.47**	**2,71,963.15**

The accompanying notes are an integral part of these Standalone Financial Statements.

Previous year figures have been regrouped and rearranged wherever necessary.

Notes forming part of the financial statements [Note No. 1-42]

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

Place: Mumbai
Date: 25th May, 2026

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2026

(₹ in Lakhs except EPS)

Particulars	Notes	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(I) Income			
(a) Revenue from Operations	24	1,79,755.17	1,77,135.18
(b) Other Income	25	1,532.32	1,279.69
Total Income (a+b)		**1,81,287.50**	**1,78,414.86**
(II) Expenses			
(a) Cost of Materials Consumed	26	83,453.22	75,639.88
(b) Purchase of Stock In trade	27	4,919.11	2,743.13
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	(6,258.22)	4,784.95
(d) Employee Benefits Expense	29	17,048.01	15,288.19
(e) Finance Costs	30	4,690.08	2,563.33
(f) Depreciation and Amortisation Expenses	31	10,429.86	7,905.91
(g) Foreign Exchange (Gain)/Loss		3,320.84	(169.33)
(h) Other Expenses	32	39,981.21	36,024.70
Total Expenses (a to h)		**1,57,584.11**	**1,44,780.76**
(III) Profit before Exceptional Items and Tax (I-II)		**23,703.39**	**33,634.11**
(IV) Exceptional Items gain/(Loss)		(279.49)	-
(V) Profit before Tax (III+IV)		**23,423.90**	**33,634.11**
(VI) Tax Expenses			
(a) Current Tax		4,287.00	6,208.00
(b) Tax Adjustments relating to earlier years		(88.06)	(536.91)
(c) Deferred Tax Charge (Net)		1,604.77	2,228.13
Total Tax Expenses (a to c)		**5,803.70**	**7,899.23**
(VII) Profit for the year (V-VI)		**17,620.20**	**25,734.88**
(VIII) Other comprehensive income (net of tax) - gain/(loss)			
(a) Items that will be reclassified to Statement of Profit and Loss			
- MTM on Forward Contract (net of tax)		(302.10)	(154.92)
(b) Items that will not be reclassified to Statement of Profit and Loss		**-**	
- Remeasurement of defined employee benefit plans (net of tax)		(129.45)	(142.31)
- Fair Value Change of Equity Instruments through Other Comprehensive Income (Net of Tax)		36.45	(218.50)
Other comprehensive income / (loss) for the year, net of tax		**(395.11)**	**(515.73)**
(IX) Total comprehensive income for the year, net of tax (VII+VIII)		**17,225.09**	**25,219.15**
(X) Earnings Per Equity Share (Face Value Per Share - ₹ 5 Each)	**33**		
Basic		19.44	28.39
Diluted		19.42	28.38

The accompanying notes are an integral part of the Ind AS financial statements
Previous year figures have been regrouped and rearranged wherever necessary
Notes forming part of the financial statements [Note No. 1-42]
As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

Place: Mumbai
Date: 25th May, 2026

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2026

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	23,423.90	33,634.11
	Adjusted for:		
	- Finance Costs	4,690.08	2,563.33
	- Depreciation and amortisation expense	10,429.86	7,905.91
	- Dividend income	(557.69)	(898.49)
	- Employee Performance Stock Option Plan Cost	247.60	193.45
	- Other Exceptional Items (New Labour impact)	279.49	-
	- Foreign exchange (gain) / loss (net)	3,320.84	(169.33)
	- Write back of old balance	(760.58)	-
	- R&D Project Expensed Out	714.44	1,353.00
	- Loss on Sales of Property	-	168.96
	- Provision for Expected Credit Loss	192.35	69.88
	- Interest Received	(213.90)	(258.01)
	Operating Profit before Working Capital Changes	**41,766.40**	**44,562.80**
	Adjusted for:		
	- (Increase)/Decrease in Trade and Other Receivables	(10,514.45)	(12,270.04)
	- (Increase)/Decrease in Inventories	(9,198.93)	3,792.88
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	8,084.08	3,901.66
	Working Capital Changes	**(11,629.29)**	**(4,575.50)**
	Movements in operating non current Assets and Liabilities	263.67	(279.24)
	Cash Generated from Operations	**30,400.77**	**39,708.06**
	Taxes refund/(paid) (net)	(4,675.00)	(5,850.00)
	Net Cash Flow from Operating Activities (A)	**25,725.77**	**33,858.06**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of property, plant and equipment (including capital work-in-progress)	(40,936.68)	(39,147.59)
	Intangible Assets (Including Intangible Assets under development)	(3,894.65)	(4,184.10)
	Proceeds from sale of current investments	1,251.20	195.30
	Movements in capex advance and capex creditors	294.53	142.24
	Dividend Received	557.69	898.49
	Interest Received	213.90	258.01
	Net Cash Flow used in Investing Activities (B)	**(42,514.02)**	**(41,837.65)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	10,641.72	10,000.00
	(Repayment)/Proceeds from working capital facilities (net)	15,782.86	3,966.98
	Finance Cost Paid	(3,873.26)	(2,327.07)
	Repayment towards lease liabilities	(1,868.16)	(604.95)
	Proceed from issue of Equity Share under PSOP Scheme	1.16	0.43
	Dividends Paid	(3,625.90)	(3,171.91)
	Net Cash Flow from Financing Activities (C)	**17,058.42**	**7,863.48**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**270.16**	**(116.11)**
	Cash and Cash Equivalent at the beginning of the year	**283.51**	**399.62**
	Cash and Cash Equivalent at the end of the year	**553.67**	**283.51**

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2026

Notes:

1 The above statement of Cash Flows should be read in conjunction with the accompanying notes.

2 Previous year figures have been regrouped and rearranged wherever necessary

3 Figures in brackets indicate cash outgo.

4 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS 7 "Statement of Cash Flows"

5 Cash flows from operating activities include ₹ 565.20 Lakhs (31st March, 2025: ₹ 430.16 Lakhs) being expenses towards Corporate Social Responsibility initiatives.

6 Cash and Cash Equivalents comprises of:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
a. Cash on Hand	12.26	9.62
b. Balances with Banks	541.42	273.89
Total	**553.67**	**283.51**

7 **Changes in liabities arising from financing activities**

(₹ in Lakhs)

Particulars	As at 31st March, 2025	Net Cash Flow	Foreign Exchange movement	Accrued Interest/ Addition	Current maturities of Long-Term Loan	Other Changes	As at 31st March, 2026
Non-current Financial Liabilities							
- Borrowings (Non Current) (Note No. 16.1)	10,355.56	10,641.72	1,871.80	-	(4,287.95)	-	18,581.14
- Lease Liabilities (Note No. 17.1)	1,166.89		-	6,547.94		(2,497.23)	5,217.60
Current Financial Liabilities							
- Current Borrowing (Note No. 16.2)	29,129.95	15,782.86	781.54	-	4,287.95	-	49,982.30
- Lease Liabilities (Note No. 17.2)	496.23	(1,868.16)	-	529.80	-	2,497.23	1,655.09
	41,148.63	**24,556.42**	**2,653.34**	**7,077.74**	**-**	**-**	**75,436.13**

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2026

(₹ in Lakhs)

Particulars	As at 31st March, 2024	Net Cash Flow	Foreign Exchange movement	Accrued Interest/ Addition	Current maturities of Long-Term Loan	Other Changes	As at 31st March, 2025
Non-current Financial Liabilities							
- Borrowings (Non Current) (Note No. 16.1)	-	10,000.00	355.56	-	-	-	10,355.56
- Lease Liabilities (Note No. 17.1)	1,665.91	-		-		(499.02)	1,166.89
Current Financial Liabilities							
- Current Borrowing (Note No. 16.2)	25,079.73	3,966.98	83.24	-	-	-	29,129.95
- Lease Liabilities (Note No. 17.2)	449.14	(604.95)	-	153.01	-	499.02	496.23
	27,194.79	**13,362.03**	**438.80**	**153.01**	**-**	**-**	**41,148.63**

Notes forming part of the financial statements [Note No. 1-42]

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

Place: Mumbai
Date: 25th May, 2026

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31ST MARCH, 2026

A. EQUITY SHARE CAPITAL

Current Reporting Period

(₹ in Lakhs)

Particulars	Balance as on 1st April, 2025	Changes in equity share capital during the period	Balance as on 31st March, 2026
Ordinary Equity Shares	4,531.73	1.16	4,532.89
Total	**4,531.73**	**1.16**	**4,532.89**

Previous Reporting Period

(₹ in Lakhs)

Particulars	Balance as on 1st April, 2024	Changes in equity share capital during the period	Balance as on 31st March, 2025
Ordinary Equity Shares	4,531.30	0.43	4,531.73
Total	**4,531.30**	**0.43**	**4,531.73**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Retained Earnings	General Reserve	Securities premium	Capital Redemption Reserve	Employee Stock Option Plan Reserve	Other Comprehensive Income - Equity Instruments	Other Comprehensive Income - Cash Flow Hedge	Total
Opening balance as on 1st April, 2024	1,04,206.96	8,187.56	44,032.54	25.00	22.84	1,079.26	60.51	1,57,614.68
Employee Stock Option Plan Reserve					193.45			193.45
Issue of Shares Premium for ESOP			43.24		(43.24)			-
Other comprehensive income (net of tax)						(218.50)		(218.50)
Profit for the year	25,734.88							25,734.88
Dividend Paid	(3,171.91)							(3,171.91)
Remeasurement of defined employee benefit plans (net of tax)	(142.31)							(142.31)
Cash flow hedge Movement during the year (net of tax)							(154.92)	(154.92)
Balance as at 31st March, 2025	**1,26,627.62**	**8,187.56**	**44,075.78**	**25.00**	**173.06**	**860.76**	**(94.41)**	**1,79,855.37**

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31ST MARCH, 2026

(₹ in Lakhs)

Particulars	Retained Earnings	General Reserve	Securities premium	Capital Redemption Reserve	Employee Stock Option Plan Reserve	Other Comprehensive Income - Equity Instruments	Other Comprehensive Income - Cash Flow Hedge	Total
Employee Stock Option Plan Reserve					247.60			247.60
Issue of Shares Premium for ESOP			116.08		(116.08)			-
Other comprehensive income (net of tax)						36.45		36.45
Profit for the year	17,620.20							17,620.20
Dividend Paid	(3,625.90)							(3,625.90)
Transfer to retained earnings on disposal of FVOCI equity	4.65					(4.65)		-
Cash flow hedge Movement during the year (net of tax)							(302.10)	(302.10)
Remeasurement of defined employee benefit plans (net of tax)	(129.45)							(129.45)
Balance as at 31st March, 2026	**1,40,497.12**	**8,187.56**	**44,191.86**	**25.00**	**304.58**	**892.56**	**(396.50)**	**1,93,702.17**

Notes

1 The above Statement of Changes in Equity be read in conjunction with the accompanying notes

2 Previous Year's figures are regrouped and rearranged wherever required.

3 Notes forming part of the financial statements [Note No. 1-42]

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

Place: Mumbai
Date: 25th May, 2026

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

1 CORPORATE INFORMATION

The Standalone financial statements comprise financial statements of AARTI PHARMALABS LIMITED ("APL" or "the Company") (CIN L24100GJ2019PLC110964) for the year ended 31st March, 2026. The Company is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 2013 Its shares are listed on the National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange ('BSE')The registered office of the Company is located at Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195.

The Company is engaged in the manufacture of Active Pharmaceutical Ingredients (API), Pharmaceutical Intermediates and Xanthine Derivatives in India.

2 SUMMARY OF BASIS OF COMPLIANCE, PREPARATION, PRESENTATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

A. Basis of Compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment.

These financial statements have been approved by the Board of Directors at their meeting held on 25th May, 2026.

B. Basis of Preparation and Presentation of Financials Statements

- The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".
- The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS and in accordance with guidelines issued by the Securities and Exchange Board of India ("SEBI").
- The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:
  - i. Certain financial instruments are measured at fair value (refer accounting policy regarding financial instruments); and
  - ii. Employee's Defined Benefit Plan as per actuarial valuation.
- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.
- All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the status of realisability and expected settlement in cash and cash equivalents of the respective assets and liabilities and other criteria set out in the Schedule III to the Companies Act 2013, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/ non-current classification of assets and liabilities.
- Functional & Presentation Currency:
  - i. The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values in the financial statements are rounded off to the nearest rupees in Lakhs except otherwise indicated.

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

C. Critical Accounting Estimates, Assumptions and Judgments:

- The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented along with the accompanying disclosures.
- The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.
- The following are the critical estimates, assumptions and judgments that the management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognised in the financial statements:

  i. Provision for Income Tax and Deferred Tax Assets:

  The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

  ii. Useful Lives of Property, Plant and Equipment ("PPE"):

  Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

  iii. Defined Benefit Plans (Gratuity):

  A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the, Employee Turnover complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

  iv. Provisions and Contingent Liabilities:

  The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

v. Provision against Obsolete and Slow-Moving Inventories:

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use at each Reporting Date. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions.

vi. Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

vii. Allowance for Credit Losses on Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company Considers current and anticipated future economic conditions relating to industries the Company deals with and the countries where it Markets its Products.

viii. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by other available fair value indicators.

ix. Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgment in assessing the lease term and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

be exercised. In evaluating the lease term, the Company considers factors such as any significant improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

3 MATERIAL ACCOUNTING POLICIES

1. Classification of Current versus Non-Current:

All assets and liabilities in the financial statements have been classified as current or non-current as per the Company's normal operating cycle of up to twelve months.

For the purpose of Balance Sheet, an asset is classified as current if:

- It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to realise the asset within twelve months after the reporting period; or
- The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification

All other liabilities are classified as non-current.

2. Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and accumulated impairment losses, if any Cost includes professional fees related to the period acquisition of PPE and for qualifying assets, borrowing costs is capitalised in accordance with the Company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Long term lease arrangements of land are treated as PPE, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains or losses arising from de-recognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3. Depreciation methods, estimated useful lives and residual value:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ upto the date on which asset is ready for use/ disposed.

The Company uses different useful lives than those prescribed in Schedule II to the Act for some of the assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

The Company has used the following useful lives to provide depreciation on the following assets:

Particulars	Management's estimate of useful life
Leasehold Land	Over the tenure of lease
Factory Building	Over a period of 19-30 years
Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 9- 19 years
Vehicle	Over a period of 5 - 7 years
Computers	Over a period of 3 years
Furniture and Fixtures	Over a period of 10 years
Office Equipment	Over a period of 5 years
Intangible Assets	Over a period of 5- 7 years, except for those where the finite period is provided.

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis.

4. CAPITAL WORK-IN-PROGRESS

Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. The same is carried at cost, comprising of direct costs, related incidental expenses and attributable borrowing costs. Project expenses pending allocation are apportioned to the PPE of the project proportionately on capitalisation.

5. INTANGIBLE ASSETS

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed,if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

Amortisation:

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as change in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

Intangible Assets without finite life are tested for impairment at each Balance sheet date and impairment provision, if any are debited to profit and loss.

The estimated useful lives of the amortisable intangible assets are as follows:

PARTICULARS	DEPRECIATION
Intangible Assets – R&D	Over a period of 5 years
Computer software	Over a period of 5 years

6. IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Company assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for such asset is required, the Company estimates the asset's recoverable amount in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount which is higher of asset's (or cash generating unit's) net selling price or the value in use. The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset (or cash generating unit) and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset (or cash generating units).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit). A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

7. INVENTORIES:

Inventories are valued, after providing for obsolescence as given below:

Raw Materials, Packing Materials and Stores and Spares:

i) Raw Materials, Packing Materials and Stores and Spares:

Raw materials, packing materials and stores and spares are valued at lower of Cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average Basis.

ii) Work-in-process:

Work-in-process is valued at the lower of cost and net realisable value. The cost is computed on Weighted Average Basis.

iii) Finished Goods, Semi-Finished Goods and Traded Goods:

Finished goods, Semi-finished goods and traded goods are valued at lower of cost and net realisable value. The cost is computed on Weighted Average Basis.

Cost is determined on Weighted Average Cost basis for the reporting period basis which includes expenditure incurred for acquiring inventories

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

like purchase price, import duties, taxes (net of tax credit), cost of conversion and other costs incurred in acquiring the inventories to their present location and condition.

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

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity of three months or less.

9. EMPLOYEE BENEFITS:

1. Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

2. Post-employment benefits:

2.1. Defined Contribution Plan:

The Company makes defined contribution to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and Superannuation Schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related service which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

2.2. Defined Benefit Plan

The gratuity liability of the Company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

3. Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, actuarial valuations being carried out at each Balance Sheet date.

Remeasurements of the liability in respect of other long-term employee benefits are recognised in the Statement of Profit and Loss in the period in which they arise and are not recognised in other comprehensive

4. Employee Stock Option Plan:

The Company recognises compensation expense relating to share-based payments based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding accounts.

The fair value at the grant date is determined using the Black-Scholes option pricing model, having regard to the terms and conditions upon which the options were granted. The cumulative expense recognised at each reporting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of options that will ultimately vest; no expense is recognised for options that do not ultimately vest

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

because a service condition has not been met. The corresponding credit is taken to the Employee Stock Option Plan reserve within other equity. The plan is equity-settled and there are no cash-settled share-based payment arrangements.

10. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

I. Provisions

The Company recognises a provision when it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reasonably estimated. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

II. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

III. Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

IV. Onerous Contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the of expected cost of continuing with the contract. Before a provision is established, the Company recognises impairment on the assets with the contract.

11. TAXES:

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity respectively.

- **Current Tax:**
  - Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.
  - The Company periodically evaluates positions taken in the tax returns with respect to matters where applicable tax regulations are subject to interpretation and recognises provisions, where appropriate.
  - Current tax assets and current tax liabilities are set-off when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.
- **Deferred Tax:**
  - Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
  - Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.
  - The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

available to allow all or part of the asset to be recovered.

- Unrecognised deferred tax assets are reassessed at each reporting and are recognised to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.
- The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.
- Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded in other comprehensive income or in equity along with the tax as applicable.
- Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

12. REVENUE RECOGNITION:

I. Revenue from Operations:

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a fivestep model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

II. Sale of Goods:

The Company recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Delivered-Incoterms revenue deferral & goods-in-transit

For sales under 'delivered' Incoterms (e.g. DAP, DDP), control transfers on delivery at the agreed destination. Where such goods are in transit at the reporting date, the performance obligation is not yet satisfied, revenue is deferred (recognised as a contract liability) and the goods are carried in inventories as finished goods-in-transit at cost until control passes on delivery

III. Sale of Services:

Revenue from services is recognised when the performance obligation is met and the right to receive income is established.

IV. Interest Income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

V. Dividend Income:

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

VI. Export Incentives:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

VII. Other Income:

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

13. LEASES:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

1) As a Lessee:

The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- control the use of an identified asset,
- obtain substantially all the economic benefits from use of the identified asset, and
- direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognises a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these 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.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Right-of-Use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The estimated useful lives of Right-of-Use assets are determined on the same basis as those of property, plant and equipment. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprises fixed payments, including amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option. The lease liability is subsequently measured at amortised cost using the effective interest method.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Finance charges are recognised as finance costs in the statement of profit and loss.

2) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (range different for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straightline basis over the lease term.

14. BORROWING COSTS:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes Bank Charges, exchange differences to the extent regarded as an adjustment to the borrowing costs.

In determining the amount of borrowing costs eligible for capitalisation, any income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

15. FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

16. EARNINGS PER SHARE:

I. Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

II. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

17. EXCEPTIONAL ITEMS:

When items of income or expense within the statement of profit & loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

18. FINANCIAL INSTRUMENTS:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity. The Company determines the classification of its financial assets and liabilities at initial recognition

A. Initial Recognition:

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the transaction values, at fair values. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from as the case may be, from the fair value of on initial recognition.

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

B. Classification and Subsequent Measurement of Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

i. Financial Assets measured at Amortised Cost:

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

ii. Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

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

iii. Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL

C. Classification and Subsequent Measurement of Financial Liabilities:

i. Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

ii. Other Financial liabilities:

Other financial liabilities (including loans and borrowings, bank overdraft and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

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

D. Debt and Equity Instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

E. Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

F. Investments in subsidiaries:

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

G. De-recognition of Financial Instruments:

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract 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 derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

H. Impairment of Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowance for expected credit losses, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

I. Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Financial instruments by category are separately disclosed indicating carrying value and fair value

STANDALONE STATEMENT OF MATERIAL ACCOUNTING POLICIES

of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

J. Cash Flow hedges

The Company defines the risk management objective and strategy for undertaking the hedge. The Company also defines the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US $. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹).

The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions. The Company risk management policy is to hedge forecasted foreign currency net sales for the subsequent 12 to 36 months. As per the risk management policy, appropriate foreign currency hedges are executed or undertaken to hedge forecasted net sales.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the statement of profit and loss.

Where a derivative is not designated as a hedge, or where hedge effectiveness cannot be reliably established, it is measured at fair value through profit or loss. Forward contracts are valued using observable forward exchange rates discounted at MIFOR (Level 2); the target-redemption forward is valued using a simulation-based option-pricing model that reflects its path-dependent strike, knock-in barrier and target-redemption features, and is classified within Level 3 of the fair-value hierarchy

4 PROPERTY, PLANT AND EQUIPMENT (FY 2025-26)

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	1st April, 2025	Addition	Deduction/ Adjustments	31st March, 2026	1st April, 2025	Depreciation charge for the year	Deduction/ Adjustments	31st March, 2026	31st March, 2026	31st March, 2025
Property, Plant and Equipment										
I Tangible Assets										
Freehold Land	3,858.7200			3,858.72	-			-	3,858.72	3,858.72
Leasehold Land	3,895.3557	295.12		4,190.48	249.52	37.96		287.48	3,902.99	3,645.83
Buildings	17,893.6939	10,470.58		28,364.27	6,065.99	999.04		7,065.02	21,299.25	11,827.71
Plant and Machinery	1,26,802.2754	28,833.62		1,55,635.90	45,897.27	6,806.24		52,703.51	1,02,932.39	80,905.01
Furniture and Fixtures	892.9118	190.49		1,083.40	484.04	77.93		561.97	521.43	408.87
Office Equipments	222.7438	10.57		233.32	194.05	15.48		209.53	23.79	28.70
Computers, Printers	863.1867	418.85		1,282.04	646.94	107.42		754.36	527.68	216.24
Vehicles	721.5856	198.15	22.32	897.42	266.20	108.39	2.75	371.84	525.57	455.38
Total	**1,55,150.47**	**40,417.38**	**22.32**	**1,95,545.54**	**53,804.01**	**8,152.45**	**2.75**	**61,953.72**	**1,33,591.82**	**1,01,346.46**
II Right to Use Assets				**-**						
Leasehold Building	2,701.05	6,651.70	220.62	9,132.12	1,170.66	1,562.68	154.65	2,578.69	6,553.43	1,530.38
Total	**2,701.05**	**6,651.70**	**220.62**	**9,132.12**	**1,170.66**	**1,562.68**	**154.65**	**2,578.69**	**6,553.43**	**1,530.38**
III Intangible Assets										
IT software & Other Intangible Assets	3,829.40	90.65	-	3,920.05	3,798.73	18.00		3,816.73	103.32	30.67
R&D Procducts	3,663.22	1,170.00		4,833.21	638.44	696.73		1,335.17	3,498.05	3,024.78
Total	**7,492.61**	**1,260.65**	**-**	**8,753.26**	**4,437.17**	**714.72**	**-**	**5,151.90**	**3,601.37**	**3,055.44**
IV Gross Total	**1,65,344.13**	**48,329.73**	**242.94**	**2,13,430.92**	**59,411.85**	**10,429.86**	**157.40**	**69,684.31**	**1,43,746.62**	**1,05,932.28**
V CWIP - Tangible									**30,521.09**	**30,092.45**
VI CWIP - Intangible									**8,787.35**	**6,777.13**

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March, 2026 is ₹ 494.17 Lakhs (31st March, 2025: ₹ 554.93 Lakhs)

Property, Plant and Equipment (FY 2024-25)

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	1st April, 2024	Addition	Deduction/ Adjustments	31st March, 2025	1st April, 2024	Depreciation charge for the year	Deduction/ Adjustments	31st March, 2025	31st March, 2025	31st March, 2024
Property, Plant and Equipment										
I Tangible Assets										
Freehold Land	3,858.72			3,858.72	-			-	3,858.72	3,858.72
Leasehold Land	3,274.60	653.14	32.38	3,895.36	217.01	34.82	2.30	249.52	3,645.83	3,057.60
Buildings	16,102.72	2,012.55	221.58	17,893.69	5,422.17	795.13	151.31	6,065.99	11,827.71	10,680.55
Plant and Machinery	1,13,411.96	13,706.10	315.78	1,26,802.28	40,221.76	5,799.18	123.68	45,897.27	80,905.01	73,190.19
Furniture and Fixtures	755.44	137.48		892.91	422.04	62.00		484.04	408.87	333.39
Office Equipments	220.83	1.92		222.74	174.69	19.35		194.05	28.70	46.13
Computers, Printers	707.77	156.79	1.38	863.19	570.31	78.01	1.38	646.94	216.24	137.46
Vehicles	585.18	236.88	100.48	721.59	288.99	74.59	97.38	266.20	455.38	296.19
Total	**1,38,917.21**	**16,904.86**	**671.59**	**1,55,150.47**	**47,316.97**	**6,863.09**	**376.04**	**53,804.01**	**1,01,346.46**	**91,600.24**
II Right to Use Assets										
Leasehold Building	2,701.05	-		2,701.05	653.88	516.79		1,170.66	1,530.38	2,047.17
Total	**2,701.05**	**-**	**-**	**2,701.05**	**653.88**	**516.79**	**-**	**1,170.66**	**1,530.38**	**2,047.17**
III Intangible Assets										
IT software & Other Intangible Assets	3,829.40	-	-	3,829.40	3,789.16	9.57	-	3,798.73	30.67	40.24
R&D Procducts	1,767.29	1,895.93	-	3,663.22	121.97	516.47	-	638.44	3,024.78	1,645.31
Total	**5,596.68**	**1,895.93**	**-**	**7,492.61**	**3,911.13**	**526.04**	**-**	**4,437.17**	**3,055.44**	**1,685.55**
IV Gross Total	**1,47,214.93**	**18,800.79**	**671.59**	**1,65,344.13**	**51,881.97**	**7,905.91**	**376.04**	**59,411.85**	**1,05,932.28**	**95,332.96**
V CWIP - Tangible									**30,092.45**	**7,849.71**
VI CWIP - Intangible									**6,777.13**	**5,841.96**

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March, 2025 is ₹ 554.93 Lakhs (31st March, 2024: Nil)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Notes:

a. Movement in Capital Work In Progress/Intangibles under development

(₹ in Lakhs)

Particulars	Capital Work In Progress	Intangible assets under development	Total
Opening balance as on 1st April, 2024	**7,849.71**	**5,841.96**	**13,691.68**
Add - Additions / adjustments during the year	39,147.59	2,831.10	41,978.69
Less - Capitalised during the year	(16,904.86)	(1,895.93)	(18,800.79)
Closing balance as on 31st March, 2025	**30,092.45**	**6,777.13**	**36,869.58**
Add - Additions / adjustments during the year	40,846.02	3,270.87	44,116.89
Less - Capitalised during the year	(40,417.38)	(1,260.65)	(41,678.03)
Closing balance as on 31st March, 2026	**30,521.09**	**8,787.35**	**39,308.43**

b. Capital Work-in-Progress Ageing- Tangible

Ageing for Capital Work-in-Progress as at 31st March, 2026 is as follows:

(₹ in Lakhs)

Capital Work-in-Progress - Tangible	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	24,366.42	5,222.11	932.55	-	30,521.09
Projects temporarily suspended	-	-	-	-	-
	24,366.42	5,222.11	932.55	-	30,521.09

Ageing for Capital Work-in-Progress as at 31st March, 2025 is as follows:

(₹ in Lakhs)

Capital Work-in-Progress - Tangible	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	26,583.51	2,037.57	947.58	523.79	30,092.45
Projects temporarily suspended	-	-	-	-	-
	26,583.51	2,037.57	947.58	523.79	30,092.45

Capital Work-in-Progress Ageing- Intangible

Ageing for Capital Work-in-Progress as at 31st March, 2026 is as follows:

(₹ in Lakhs)

Capital Work-in-Progress - Tangible	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,986.06	1,011.06	3,168.56	1,621.66	8,787.35
Projects temporarily suspended	-	-	-	-	-
	2,986.06	1,011.06	3,168.56	1,621.66	8,787.35

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Ageing for Capital Work-in-Progress as at 31st March, 2025 is as follows:

(₹ in Lakhs)

Capital Work-in-Progress - Tangible	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,535.26	2,717.33	1,524.54	-	6,777.13
Projects temporarily suspended	-	-	-	-	-
	2,535.26	2,717.33	1,524.54	-	6,777.13

Note:

There are no projects under capital work in progress where the completion is overdue or has exceeded its cost compared to its original plan in previous year. In current year there are no projects which have exceeded its cost compared to its original plan.

c. Title deeds of Immovable Properties not held in the name of the Company

(₹ in Lakhs)

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying Value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the Company
		As at 31st March, 2026	As at 31st March, 2025				
Land	Village -Atali, Tal-Vagra, Dist - Bharuch, Gujarat - 392130	3,858.72	3,858.72	Aarti Industries Limited	No	2021	Properties were transferred from Aarti Industries Limited under Scheme of Demerger approved by the NCLT vide order dated 21st September 2022 w.e.f. 1st July 2021. The transfer of title deed in the name of the Company is pending with the Authorities for completion of some procedural part. The management is targeting completion of transfer of title in FY 26-27

5 INVESTMENTS

5.1 Investment in Subsidiaries and Joint Venture Entity (non-current)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unquoted Investments		
Investment in subsidiaries and Joint Venture - Measured at cost		
Aarti USA Inc.	65.76	65.76
Aarti Pharmachem Limited	25.00	25.00
Ganesh Polychem Limited	1,260.86	1,260.86
Total	**1,351.62**	**1,351.62**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No of Share	Amount	No of Share	Amount
Unquoted Investments				
Equity Shares of Subsidiary Companies (Unquoted)				
Aarti USA Inc.	1,00,00,000	65.76	1,00,00,000	65.76
Aarti Pharmachem Limited	2,50,000	25.00	2,50,000	25.00
Total	**1,02,50,000**	**90.76**	**1,02,50,000**	**90.76**

Note: Aggregate value of Unquoted Investments is ₹ 90.76 Lakhs (PY 90.76 Lakhs).

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No of Share	Amount	No of Share	Amount
Unquoted Investments				
Investment in Joint Venture - Measured at cost				
Ganesh Polychem Limited	30,98,257	1,260.86	30,98,257	1,260.86
Total	**30,98,257**	**1,260.86**	**30,98,257**	**1,260.86**

Note: Aggregate value of Unquoted Investments is ₹ 1260.86 Lakhs (PY 1260.86 Lakhs).

5.2 Other Investments (non-current)

(₹ in Lakhs)

		As at 31st March, 2026	As at 31st March, 2025
I	Unquoted Investments -FVTOCI	2,084.83	2,009.86
II	Unquoted Investments in debentures - Measured at cost	261.63	-
III	Unquoted Investments - Measured at cost	138.20	188.21
IV	Investment in Limited Liability Partnership - Measured at cost	565.70	565.72
Total		**3,050.36**	**2,763.79**

(₹ in Lakhs)

Particulars		As at 31st March, 2026		As at 31st March, 2025	
		No of Share	Amount	No of Share	Amount
I	**Unquoted Investments -FVTOCI**				
	Dilesh Roadlines Private Limited	4,64,550	1,340.20	4,64,550	1,265.08
	Aarti Ventures Private Limited	4,54,364	738.33	4,54,364	738.48
	Pro-Zeal Green Energy Five Private Limited	63,000	6.30	63,000	6.30
II	**Unquoted Investments in debentures - Measured at cost**				
	- Pro-Zeal Green Energy Five Private Limited (CCD)	26,163	261.63	-	-
III	**Unquoted Investments - Measured at cost**				
	Tarapur Environment Protection Society	47,274	61.97	47,274	61.97
	Derma Touch Inc.	N.A.	76.23	N.A.	126.23
IV	**Investments in Limited Liability Partnership (Unquoted)**				
	Aarti Udyog Limited Liability Partnership	N.A.	565.70	N.A.	565.72
Total			**3,050.36**		**2,763.79**

5.3 Investments (Current)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Quoted Investments		
Investment in Bonds (Quoted) - Measured at FVOCI	-	1,587.77
Total	**-**	**1,587.77**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No of Share	Amount	No of Share	Amount
Investment in Bonds (Quoted)				
8.50% Bank of Baroda	-	-	100	997.96
8.35% Tata Motors Fin Ltd - P/C	-	-	3	285.28
9.55% Tata Motors Fin Ltd - P/C	-	-	10	102.85
9.10% Tata Motors Fin Ltd - P/C	-	-	20	201.68
Total Investment	**-**	**-**		**1,587.77**

6 LOAN

6.1 Non-Current (at amortised cost)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, Considered Good		
- Loan to Related Party (refer note 38)	777.54	730.13
Total	**777.54**	**730.13**

6.2 Current (at amortised cost)

(₹ in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Unsecured, Considered Good		
- Loan to Employees	49.57	75.81
Total	**49.57**	**75.81**

Additional disclosure as per schedule III

(₹ in Lakhs)

Type of borrower	31st March, 2026	% of total Loans & Advances	31st March, 2025	% of total Loans & Advances
Promoters	-	0.0%	-	0.0%
Directors	-	0.0%	-	0.0%
KMPs	-	0.0%	-	0.0%
Related parties - Aarti Ventures Private Limited	777.54	100.00%	730.13	100.00%
Total	**777.54**	**100.00%**	**730.13**	**100.00%**

The loan to Aarti Ventures Private Limited is unsecured, carries interest at 9% per annum. There are no loans or advances in the nature of loans granted to promoters, directors or key managerial personnel, either severally or jointly with any other person.

7 OTHER FINANCIAL ASSETS

7.1 Non-current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, Considered Good		
- Security Deposits to related parties (refer note 38)	1,590.59	90.59
- Security Deposits - other	1,926.82	1,254.50
Total	**3,517.41**	**1,345.09**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

7.2 Current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, Considered Good		
- Interest Receivable	-	111.42
- Insurance Receivable	397.57	402.57
Less - Provision for expected credit loss	(397.57)	(397.57)
Total	**-**	**116.42**

8 OTHER ASSETS

8.1 Non-current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, unless otherwise stated)		
- Capital Advances	1,681.30	2,088.23
Total	**1,681.30**	**2,088.23**

8.2 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, unless otherwise stated)		
- Balance with Government Authorities	9,844.86	6,438.82
- Advances to Suppliers	4,342.45	1,469.72
- Prepaid Expenses	871.98	609.57
- Export Benefits Receivable	302.00	233.87
Total	**15,361.29**	**8,751.97**

9 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Raw Material,Fuel and Packing Material (including goods in transit)	24,716.17	21,963.74
- Stock in progress	16,741.77	12,148.17
- Finished Goods	21,591.90	19,927.28
- Stores and spares	571.53	383.25
Total	**63,621.37**	**54,422.44**

9.1 Goods in Transit

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw Material (In Transit Stock)	1,182.00	1,518.44
Total	**1,182.00**	**1,518.44**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

10 TRADE RECEIVABLES (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Trade Receivables	59,054.48	55,481.48
- Less - Impairment Provision	(399.26)	(222.44)
Trade Receivables (Net)	**58,655.22**	**55,259.04**
Break up of Security Details		
(i) Unsecured, Considered good	58,655.22	55,259.04
(ii) Unsecured, Credit impaired (Impairment Provision)	399.26	222.44
	59,054.48	**55,481.48**
Less -: Impairment allowance (allowance for bad and doubtful debts)	(399.26)	(222.44)
Total	**58,655.22**	**55,259.04**

a Due to the short nature of credit period given to customers, there is no financing component in the contract.

b The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowance for expected credit losses, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information.

c Trade receivables ageing schedule

31st March, 2026

Particulars	Not due	Outstanding from due date of Payment					
		Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Undisputed - considered good	50,171.64	6,891.68	1,145.19	524.41	101.02	220.53	59,054.48
(ii) Undisputed - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed - credit impaired	-	-	-	-	-	-	-
Sub 'Total Trade Receivable	**50,171.64**	**6,891.68**	**1,145.19**	**524.41**	**101.02**	**220.53**	**59,054.48**
Less: Impairment Allowance							(399.26)
Total	**50,171.64**	**6,891.68**	**1,145.19**	**524.41**	**101.02**	**220.53**	**58,655.22**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

31st March, 2025

Particulars	Not due	Outstanding from due date of Payment					
		Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Undisputed - considered good	42,642.64	12,167.89	195.85	143.21	115.22	216.66	55,481.48
(ii) Undisputed - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed - credit impaired	-	-	-	-	-	-	-
Sub 'Total Trade Receivable	**42,642.64**	**12,167.89**	**195.85**	**143.21**	**115.22**	**216.66**	**55,481.48**
Less: Impairment Allowance							(222.44)
Total	**42,642.64**	**12,167.89**	**195.85**	**143.21**	**115.22**	**216.66**	**55,259.05**

d Movement in expected credit loss allowance of trade receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	222.44	224.38
Allowances / (write back) during the year	192.35	69.88
Written off against provision	(15.53)	(71.82)
Balance at the end of the year	**399.26**	**222.44**

11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Cash & Cash Equivalents		
- Cash on hand	12.26	9.62
- Balance with banks	541.42	273.89
Total	**553.67**	**283.51**

12 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Earmarked balances for Unclaimed Dividend	71.62	34.92
- Fixed Deposits with Banks	36.94	33.62
Total	**108.56**	**68.54**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

13 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Advance Tax and Tax Deducted at Source (Net of Provision)	993.52	316.92
Total	**993.52**	**316.92**

14 SHARE CAPITAL:

A Authorised Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Authorised Share Capital		
10,00,00,000 Equity Shares of ₹ 5/- each (PY - 10,00,00,000)	5,000.00	5,000.00
Total	**5,000.00**	**5,000.00**

B Issued, Subscribed & Paid Up:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
9,06,57,751/- Equity Shares of ₹ 5/- each (PY - 9,06,34,624)	4,532.89	4,531.73
Total	**4,532.89**	**4,531.73**

14.1 Reconciliation of number of Equity Shares outstanding:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
	No' Of Shares	No' Of Shares
Equity Shares at the beginning of the year	9,06,34,624	9,06,26,008
Add: Equity Shares issue for under ESOP scheme	23,127	8,616
Equity Shares at the end of the year	**9,06,57,751**	**9,06,34,624**

14.2 Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares with equal voting rights having par value of ₹ 5 each and the holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

14.3 Details of shareholders holding more than 5% shares:

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025		% change During the period
	Number of Shares held	% of holding	Number of Shares held	% of holding	
Life Insurance Corporation of India	47,82,452	5.28%	54,90,515	6.06%	-0.78%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

14.4 Deatils of Shares held by promoters and promoter group

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025		% change During the period
	Number of Shares held	% of holding	Number of Shares held	% of holding	
Rashesh Chandrakant Gogri	38,34,404	4.23%	38,34,404	4.23%	0.0%
Jaya Chandrakant Gogri	32,04,310	3.53%	32,04,310	3.54%	0.0%
Mirik Rajendra Gogri	27,84,094	3.07%	27,93,094	3.08%	0.0%
Hetal Gogri Gala	28,15,612	3.11%	26,15,548	2.89%	0.2%
Renil Rajendra Gogri	25,42,750	2.80%	25,42,750	2.81%	0.0%
Sarla Shantilal Shah	24,35,830	2.69%	24,35,830	2.69%	0.0%
Rajendra Vallabhaji Gogri	14,25,900	1.57%	14,25,900	1.57%	0.0%
Nehal Garewal	11,22,487	1.24%	11,22,487	1.24%	0.0%
Nikhil Parimal Desai	6,81,754	0.75%	7,16,754	0.79%	0.0%
Aarnav Rashesh Gogri	5,50,000	0.61%	5,50,000	0.61%	0.0%
Aashay Rashesh Gogri	5,50,000	0.61%	5,50,000	0.61%	0.0%
Manisha Rashesh Gogri	5,50,000	0.61%	5,50,000	0.61%	0.0%
Arti Rajendra Gogri	4,55,256	0.50%	4,55,256	0.50%	0.0%
Parimal Hasmukhlal Desai	3,49,571	0.39%	3,49,571	0.39%	0.0%
Ratanben Premji Gogri	3,44,332	0.38%	3,44,332	0.38%	0.0%
Heena Bhatia	3,22,588	0.36%	3,22,588	0.36%	0.0%
Rajendra Vallabhaji Gogri (Huf)[Karta-Rajendra Vallabhaji Gogri]	3,08,274	0.34%	3,08,274	0.34%	0.0%
Shantilal Tejshi Shah Huf[Karta-Nehal Garewal]	2,78,881	0.31%	2,78,881	0.31%	0.0%
Indira Madan Dedhia	1,82,250	0.20%	1,82,250	0.20%	0.0%
Mananjay Singh Garewal	1,62,510	0.18%	1,62,510	0.18%	0.0%
Chandrakant Vallabhaji Gogri	1,55,500	0.17%	1,55,500	0.17%	0.0%
Hetvi Rohan Ghalla	1,50,000	0.17%	1,50,000	0.17%	0.0%
Monisha Bhatia	1,21,121	0.13%	1,21,121	0.13%	0.0%
Shreya Suneja	1,12,500	0.12%	1,12,500	0.12%	0.0%
Dinesh Devchand Ghalla	1,00,000	0.11%	1,00,000	0.11%	0.0%
Gunavanti Navin Shah	86,644	0.10%	86,644	0.10%	0.0%
Krisha Yogesh Nahar	43,940	0.05%	42,740	0.05%	0.0%
Jayesh Shah	14,957	0.02%	14,957	0.02%	0.0%
Prasadi Yogesh Banatwala	4,245	0.00%	4,245	0.00%	0.0%
Pooja Renil Gogri	382	0.00%	382	0.00%	0.0%
LABDHI BUSINESS TRUST (Saswat Trusteeship Private Limited)	28,41,504	3.13%	28,41,504	3.14%	0.0%
MANOMAYA BUSINESS TRUST (Alabhya Trusteeship Private Limited)	13,08,496	1.44%	13,08,496	1.44%	0.0%
Heena Family Private Trust (Barclays Wealth Trustees India Private Limited)	8,33,859	0.92%	8,33,859	0.92%	0.0%
Bhavna Family Private Trust (Barclays Wealth Trustees India Pvt Ltd)	8,04,101	0.89%	8,04,101	0.89%	0.0%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025		% change During the period
	Number of Shares held	% of holding	Number of Shares held	% of holding	
TULIP FAMILY TRUST (Gloire Trusteeship Services Private Limited)	3,97,500	0.44%	7,07,500	0.78%	(0.3%)
JASMINE FAMILY TRUST (Relacion Trusteeship Services Private Limited)	6,87,500	0.76%	6,87,500	0.76%	0.0%
ORCHID FAMILY TRUST (Relacion Trusteeship Services Private Limited)	3,80,000	0.42%	6,80,000	0.75%	(0.3%)
LOTUS FAMILY TRUST (Gloire Trusteeship Services Private Limited)	6,24,500	0.69%	6,24,500	0.69%	0.0%
AASHYAV BUSINESS TRUST (Alabhya Trusteeship Private Limited)	37,900	0.04%	37,900	0.04%	0.0%
Anushakti Enterprise Private Limited	29,92,950	3.30%	29,92,950	3.30%	0.0%
Safechem Enterprises Private Limited	8,33,000	0.92%	14,63,000	1.61%	(0.7%)
Alchemie Financial Services Limited	6,73,006	0.74%	6,73,006	0.74%	0.0%
Gogri Finserv Pvt. Ltd.	3,37,505	0.37%	3,37,505	0.37%	0.0%
Alchemie Finserv Pvt. Ltd.	2,64,105	0.29%	2,64,105	0.29%	0.0%
Nikhil Holdings Private Limited	1,80,891	0.20%	1,80,891	0.20%	0.0%
Dilesh Roadlines Pvt Ltd	8,318	0.01%	8,318	0.01%	0.0%
Valiant Organics Limited	7,500	0.01%	7,500	0.01%	0.0%
Bhanu Pradip Savla	1,55,737	0.17%	1,55,737	0.17%	0.0%
Total	**3,90,58,464**	**43.08%**	**4,01,41,200**	**44.29%**	**(1.2%)**

14.5 Dividends

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Cash Dividends on Equity Shares declared and/or paid:		
Final Dividend for the year ended 31st March, 2025: 2.50/- Per share (PY: ₹ 1/-)	2,266.03	906.26
Interim Dividend for the year ended 31st March, 2026: ₹ 1.50 per share (PY: ₹ 2.50/-)	1359.87	2,265.65
Total	**3,625.90**	**3,171.91**
Proposed Dividend on Equity Shares:		
Final Dividend for the year ended 31st March, 2026: ₹: 2.00/- per share (PY: ₹ 2.50/-)	1,813.16	2,265.87
Total	**1,813.16**	**2,265.87**

Footnote: The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company https://www.aartipharmalabs.com/investors/dividend-distribution-policy-feb-2023.pdf

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31st March, 2026.

14.6 Equity shares reserved for issue under employee stock options and share appreciation rights

For number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options and rights by the option holders as per the relevant schemes - refer note 34.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

15 OTHER EQUITY

(₹ in Lakhs)

Particulars		As at 31st March, 2026	As at 31st March, 2025
a	Retained Earning	1,40,497.12	1,26,627.62
b	Securities Premium	44,191.86	44,075.78
c	Capital Redemption Reserve	25.00	25.00
d	General Reserve	8,187.56	8,187.56
e	Employee Stock Option Plan Reserve	304.58	173.06
f	Other Comprehensive Income - Equity Instruments	892.56	860.76
g	Other Comprehensive Income - Cash Flow Hedge	(396.50)	(94.41)
Total		**1,93,702.17**	**1,79,855.37**

Nature and Purpose of Reserves

Security Premium:

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve :

This reserve comprises of amount on Equity share cancellation on account of Scheme of arrangement on Demerger. This reserve can be utilised in accordance with the provision of section 69 of the Companies Act, 2013

General Reserve :

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations adjusted by utilisation of reserve in accordance with companies act in earlier years before demerger. The requirement to mandatorily transfer a specified percentage of the net profit to general reserve before declaration of dividend has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained Earning :

Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Employee Stock Option Plan Reserve :

The share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium, upon exercise of stock options, and transferred to general reserve on account of stock options not exercised by employees.

Equity instruments through Other Comprehensive Income :

The Company has opted to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity.

The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Other Comprehensive Income - Cash Flow Hedge

For the forward contracts designated as cash flow hedges, the effective portion of the fair value of forward contracts are recognised in cash flow hedging reserve under other equity. Upon de-recognition, amounts accumulated in other comprehensive income are taken to profit or loss at the same time as the related cash flow

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars		As at 31st March, 2026	As at 31st March, 2025
Other Equity			
a	**Retained Earning**		
	Opening Balance	1,26,627.62	1,04,206.96
	Add: Net Profit for the year	17,620.20	25,734.88
	Less: Interim and Final Dividend	(3,625.90)	(3,171.91)
	Add : Transfer from OCI	4.65	-
	Add :Remeasurement of defined employee benefit plans (net of tax)	(129.45)	(142.31)
	Closing Balance	**1,40,497.12**	**1,26,627.62**
b	**Securities Premium**		
	Opening Balance	44,075.78	44,032.54
	Add : Transfer from Employee Stock Option Plan Reserve	116.08	43.24
	Closing Balance	**44,191.86**	**44,075.78**
c	**Capital Redemption Reserve**		
	Opening Balance	25.00	25.00
	Movement during the year	-	-
	Closing Balance	**25.00**	**25.00**
d	**General Reserve**		
	Opening Balance	8,187.56	8,187.56
	Add : Transfer from Retained Earning	-	-
	Closing Balance	**8,187.56**	**8,187.56**
e	**Employee Stock Option Plan Reserve**		
	Opening Balance	173.06	22.84
	Add : Expenses recognised during the period	247.60	193.45
	Less: Transfer to Securities Premium	(116.08)	(43.24)
	Closing Balance	**304.58**	**173.06**
f	**Other Comprehensive Income - Equity Instruments**		
	As per last Balance Sheet	860.76	1,079.26
	Less :Movement in during the year (net of tax)	36.45	(218.50)
	Less : Transfer to retained earnings on disposal of FVOCI equity	(4.65)	-
	Closing Balance	**892.56**	**860.76**
g	**Other Comprehensive Income - Cash Flow Hedge**		
	As per last Balance Sheet	(94.41)	60.51
	Add - Effective portion of change in fair value recognised in OCI	(789.40)	(154.92)
	Less - Reclassified to profit or loss (as hedged sales occurred)	385.69	-
	less - Deferred tax	101.61	-
	Closing Balance	**(396.50)**	**(94.41)**
	Total	**1,93,702.17**	**1,79,855.37**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

16 BORROWINGS

16.1 Borrowings - Non Current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Term loan from Bank	22,869.08	10,355.56
Less - Current maturities of Long-Term Loan	(4,287.95)	-
Total	**18,581.14**	**10,355.56**

16.2 Borrowings - Current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Repayable on demand from Banks (secured)		
- Cash Credit Facility	21.96	4.75
- Working Capital Demand Loan	14,998.36	18,611.16
- Packing Credit in Indian Currency	10,000.00	
- Packing Credit in foreign currency	20,674.03	10,514.04
- Current maturities of Long-Term Loan	4,287.95	-
Total	**49,982.30**	**29,129.95**

notes:

1 As at 31st March, 2026, ₹ 45,694.35 lakhs (31st March, 2025: ₹ 29,129.95 Lakhs) of the total outstanding borrowings were secured by a first charge on current assets and second charge of movable fixed assets.

were secured by a first pari passu charge on the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the Company. These credit facilities carry average interest rates in the range of 7.00% to 8.00% p.a. (PY: 7.00% to 8.00% p.a.).

2 The Company does not have any charges which are yet to be registered with ROC beyond the statutory period except for working capital of ₹ 75 Crores

3 In respect of working capital borrowings from banks timely stock statements are submitted to the banks

The Company has been sanctioned working capital facilities from banks on the basis of security of current assets. The quarterly returns / statements of current assets (comprising stock and book debts) filed by the Company with the said banks are not wholly in agreement with the books of account. A summary of the reconciliation of the differences, together with the reasons therefor, is given below.

The Company did submit revised stock statements to all banks after accounts finalisation for the respective reporting periods.

Quarter ended	Name of bank/ financial institution	Particulars of current asset (e.g. Inventory)	Amount as per Quarterly Financials	Amount as per Stock statement	Difference	Reason for Variation
31st March 2026	Kotak mahindra bank, ICICI Bank, Axis Bank, Standard Chartered Bank and IDBI Bank	Hypothecation of Inventories	63,621.37	63,980.00	358.63	Refer note (a) below
31st December 2025			65,116.87	61,047.00	(4,069.87)	
30th September 2025			61,208.32	62,494.00	1,285.68	
30th June 2025			59,678.95	59,465.00	(213.95)	
31st March 2026	Kotak mahindra bank, ICICI Bank, Axis Bank, Standard Chartered Bank and IDBI Bank	Hypothecation of book debts	58,655.22	59,094.00	438.78	Refer note (b) below
31st December 2025			51,364.08	51,630.00	265.92	
30th September 2025			45,840.96	41,351.00	(4,489.96)	
30th June 2025			42,430.26	42,098.00	(332.26)	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(a) Stock: The differences arise from the basis on which the statements filed with the banks are compiled and comprise principally the effect of the measurement requirements applicable to inventories, adjustments to the carrying value of inventories determined on completion of the valuation exercise for the respective quarter, and the effect of revenue cut-off adjustments, consequent to which goods dispatched in the vicinity of the quarter end were considered as part of closing inventory in the books of account.

(b) Book debts: The differences arise from the basis on which the statements filed with the banks are compiled and comprise principally the effect of the measurement and classification requirements under Ind AS 115, customer advances and credit balances that are set off in the books of account, allowances for expected credit losses, and regroupings and adjustments recorded on completion of the periodic closing procedures for the respective quarter

4 The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

5 Working-capital demand loans and packing credit interest at rates fixed for the tenor of each drawdown and are classified as fixed-rate borrowing; the cash-credit facility (₹ 21.96 Lakhs) is benchmark-linked. The Company's floating-rate interest exposure arises from the External Commercial Borrowing and FCNR loan, on which the interest-rate sensitivity above is computed

6 **Currency and interest exposure of borrowings including current maturities is as below:**

Particulars	31st March, 2026			31st March, 2025		
	Fixed Rate	Floating Rate	Total	Fixed Rate	Floating Rate	Total
a- Indian National Rupee (₹) - Total	24,998.36	21.96	25,020.32	18,611.16	4.75	18,615.91
b- United States Dollar (US$) - Total	20,674.03	22,869.08	43,543.11	10,514.04	10,355.56	20,869.60
	45,672.39	**22,891.04**	**68,563.44**	**29,125.20**	**10,360.31**	**39,485.52**
a - Indian National Rupee (₹) - Unhedged	24,998.36	21.96	25,020.32	18,611.16	4.75	18,615.91
b- United States Dollar (US$) - Unhedged	20,674.03	22,869.08	43,543.11	10,514.04	10,355.56	20,869.60
	45,672.39	**22,891.04**	**68,563.44**	**29,125.20**	**10,360.31**	**39,485.52**
% of Total Borrowings	**66.61%**	**33.39%**	**100.00%**	**73.76%**	**26.24%**	**100.00%**

Repayment of Term loan

Particulars	Repayment Tenor			
	0-1 Year	1-2 Year	Beyond 2 year	Total
Term Loan from Banks - CITI	2,154.16	2,872.21	6,462.51	11,488.88
Term Loan from Banks -AXIS	2,133.79	2,845.05	6,401.36	11,380.20

Facility / tranche	Borrowed loan in Currency	Carrying amt (₹ Lakhs)	Rate of interest	Repayment / tenor	Purpose
Citibank N.A. - Term Loan 1 (part of ₹ 100 Crores, FCNR)	US$ (FCNR)	3,446.67	SOFR + 1.50% p.a. (floating)	6-yr door-to-door; 2-yr moratorium	Solar power project capex
Citibank N.A. - Term Loan 2 (part of ₹ 100 Crores, FCNR)	US$ (FCNR)	8,042.22	SOFR + 1.50% p.a. (floating)	6-yr door-to-door; 2-yr moratorium	Atali project capex
Axis Bank - ECB	US$	11,380.20	SOFR + 1.40% p.a. (floating)	16 equal quarterly instalments of US$ 0.75 million, August-2026 to May-2030	Atali project capex
Total		**22,869.08**			

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Term loans from banks comprise:

a A term loan of ₹ 100 Crores from Citibank N.A., sanctioned in two tranches - ₹ 70 Crores for the Atali project capex and ₹ 30 Crores for the solar power project capex - each with a six-year door-to-door tenor and a two-year moratorium, availed as a foreign-currency (FCNR) loan; carrying amount ₹ 11,488.88 Lakhs, bearing interest at the bank's applicable rate (floating, with monthly rests); and

b An External Commercial Borrowing of US$ 12 million from Axis Bank, carrying amount ₹ 11,380.20 Lakhs, bearing interest at SOFR plus 1.40% per annum and repayable in 16 equal quarterly instalments of US$ 0.75 million from August 2026 to May 2030.

Both facilities are secured by a first pari-passu charge on the Company's movable fixed assets and a second pari-passu charge on current assets.

C The Company has complied with all applicable covenants as at and for the year ended 31st March 2026.

17 LEASE LIABILITIES

17.1 Non-current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Long term maturities of finance lease obligations	5,217.60	1,166.89
Total	**5,217.60**	**1,166.89**

17.2 Current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Short term maturities of finance lease obligations	1,655.09	496.23
Total	**1,655.09**	**496.23**

i The Company has lease contracts for its office premises and godowns with lease term between 1 year to 5 years. The Company obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of office premises and godowns with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

a The movement in lease liabilities during the year ended 31st March, 2026 and 31st March, 2025 is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning	**1,663.12**	**2,115.05**
Additions	6,614.13	-
Accretion of interest	529.80	153.01
Lease terminate	(66.20)	-
Payment of lease liabilities	(1,868.16)	(604.95)
Balance at the end	**6,872.69**	**1,663.12**
Non -current	5,217.60	1,166.89
Current	1,655.09	496.23

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

b The following are the amounts recognised in profit or loss:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Depreciation on right-of-use assets (refer note no 4)	1,562.69	516.79
Interest expense on lease liabilities (refer note no 30)	529.80	153.01
Expense relating to short-term leases (refer not no 32)	184.72	99.82
Total amount recognised in statement of profit and loss	**2,277.21**	**769.62**

c Details of carrying amount of right-of-use assets and movement during the period.

i The maturity analysis of lease liabilities are disclosed in Note 40 (c) 'Liquidity Risk Management'

ii The effective interest rate for lease liabilities is 9%, with maturity as per agreed lease terms.

iii Expense relating to short-term leases are disclosed under the head Rent paid in other expenses.

18 NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Advance received from Related Parties (refer Note 38)	1,500.00	1,500.00
- TRF MTM	2,435.98	-
Total	**3,935.98**	**1,500.00**

19 PROVISIONS

19.1 Non Current Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision For Employees Benefit		
- Provision for Leave Salary (Refer Note No - 29)	785.18	708.85
Total	**785.18**	**708.85**

19.2 Current Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision For Employees Benefit		
- Provision for Gratuity (Refer Note No - 29)	366.19	375.83
- Provision for Leave Salary (Refer Note No - 29)	100.99	87.74
- Provision for Bonus	654.87	590.31
Total	**1,122.05**	**1,053.89**

notes:

i The Company presents provision for gratuity and leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employees, etc.

ii Detailed disclosure in respect of post-retirement defined benefit scheme is provided in note 29

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

iii Movement in Leave Liabilities

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance	796.59	621.92
Add : - Addition during the year	347.95	306.17
Less : -Payment during the year	258.37	131.49
Closing Balance end of year	**886.17**	**796.59**

20 DEFERRED TAX LIABILITIES COMPRISES :

Deferred tax liabilities (net)

Particulars	As on dated 1st April, 2025	Charge / (Credit) to Statement of Profit and Loss	Charge /(Credit) to Other Comprehensive Income	As at 31st March, 2026
Deferred tax liabilities/(Assets), on account of				
Depreciation for tax purposes	12,231.38	2,464.56	-	14,695.94
Deferred tax on the FVTPL derivative	-	(748.23)		(748.23)
Fair valuation of Cash flow hedge	(23.46)		(101.61)	(125.07)
Expenses allowable on payment basis	(351.06)	(64.62)	(43.54)	(459.22)
Fair valuation of Investments	145.17	-	4.97	150.14
Right of Use and Lease as per Ind AS 116	(33.41)	(46.95)	-	(80.35)
Deferred tax expense/(benefit) for the year		**1,604.76**	**(140.19)**	**-**
Net Deferred Tax Liability	**11,968.63**	**-**	**-**	**13,433.20**

Particulars	As on dated 1st April, 2024	Charge / (Credit) to Statement of Profit and Loss	Charge /(Credit) to Other Comprehensive Income	As at 31st March, 2025
Deferred tax liabilities/(Assets), on account of				
Depreciation for tax purposes	9,861.94	2,369.45		12,231.38
Expenses allowable on payment basis	(195.28)	(107.91)	(47.87)	(351.06)
Fair valuation of Investments	126.59		18.58	145.17
Fair valuation of Cash flow hedge			(23.46)	(23.46)
Right of Use and Lease as per Ind AS 116		(33.41)		(33.41)
Deferred tax expense/(benefit) for the year		**2,228.13**	**(52.75)**	
Net Deferred Tax Liability	**9,793.24**			**11,968.63**

Reconciliation of tax expense and accounting profit for the year:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Profit before tax	**23,423.90**	**33,634.11**
Income tax expenses calculated at 25.168% (2025: 25.168 %)	5,895.33	8,465.03
Effect of expenses not deductible for tax computation	3,749.37	2,340.23
Effect of concessions (depreciation under income tax act)	(4,251.38)	(3,426.81)
Effect of Income which is deductible expenses under income tax	(1,106.32)	(1,170.45)
Total	**4,287.00**	**6,208.00**
Adjustment of tax relating to earlier periods	(88.06)	(536.91)
Deferred tax expenses	1604.77	2228.13
Tax expense as per Statement of Profit and Loss	**5,803.70**	**7,899.23**

Deferred tax assets/ liabilities are the amounts of income taxes recoverable/ payable in future periods in respect of taxable temporary differences, respectively.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

21 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(a) - Total Outstanding Dues of Micro enterprises and Small Enterprises; and	116.72	939.85
(b) - Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	32,313.04	23,957.00
Total	**32,429.76**	**24,896.85**

31st March, 2026

(₹ in Lakhs)

Particulars	Not due	Up to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
MSME	116.72	-	-	-	-	116.72
Others	15,705.98	16,387.62	82.86	69.22	67.36	32,313.04
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
	15,822.71	**16,387.62**	**82.86**	**69.22**	**67.36**	**32,429.76**

31st March, 2025

(₹ in Lakhs)

Particulars	Not due	Up to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
MSME	795.65	144.20	-	-	-	939.85
Others	11,514.66	11,872.69	170.65	172.44	226.58	23,957.00
Disputed Dues - MSME	-	-	-	-		-
Disputed Dues - Others	-	-	-	-		-
	12,310.31	**12,016.89**	**170.65**	**172.44**	**226.58**	**24,896.85**

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

(₹ in Lakhs)

Particulars		As at 31st March, 2026	As at 31st March, 2025
1)	(a) Principal amount remaining unpaid to any supplier	116.72	939.85
	(b) Interest on (1)(a) above	-	-
2)	The amount of interest paid along with the principal payment made to the supplier	-	-
3)	Amount of interest due and payable on delayed payments	-	-
4)	Amount of further interest remaining due and payable for the earlier years	-	-
5)	Total Outstanding dues of Micro & Small Enterprises		
	- Principal	116.72	939.85
	- Interest	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

22 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Liability for Capital Goods	1,333.22	1,445.62
- Unclaimed Dividends	71.61	34.90
- Salaries, Wages, Bonus and Other Employee Payables	2,273.38	1,948.00
- Forward Contract and TRF MTM	1,035.07	94.41
- Interest Payable	148.24	40.54
- Others Expenses	1,507.06	1,099.32
Total	**6,368.58**	**4,662.79**

There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2026.

23 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Statutory liabilities	428.68	358.40
- Advance from Customers	601.85	1,278.02
Total	**1,030.53**	**1,636.41**

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Sale of Manufactured Products	1,70,492.95	1,70,724.85
(b) Sale of Traded Products	5,038.11	2,819.79
(c) Sale of Services	1,056.62	928.29
(d) Other Operating Revenues	3,167.48	2,662.25
Total	**1,79,755.17**	**1,77,135.18**

Other Operating Revenues

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Export Benefits and Other Incentives	2,694.56	2,492.55
(b) Scrap Sales	472.92	169.69
Total	**3,167.48**	**2,662.25**

Footnotes:

(a) Disaggregate revenue information

Refer Note 36 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

(b) In case of Domestic Sales, payment terms range from 60 days to 120 days based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - 60 days to 120 days. There is no significant financing component in any transaction with the customers.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(c) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

(d) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

25 OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI	160.19	200.61
Other financial assets carried at amortised cost	53.70	57.40
(b) Dividend Income		
Dividends from Unquoted equity investments	557.69	898.49
(c) Other Non-operating Income		
Miscellaneous Income	760.74	123.18
Total	**1,532.32**	**1,279.69**

26 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Opening Stock (including goods-in-transit)	21,963.74	20,944.37
Add: Purchases	86,205.65	76,659.24
	1,08,169.39	**97,603.61**
Less: Closing Stock (including goods-in-transit)	24,716.17	21,963.74
	83,453.22	**75,639.88**

27 PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Purchases of stock-in-trade	4,919.11	2,743.13
Total	**4,919.11**	**2,743.13**

28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Opening Inventories		
Finished Goods	19,927.28	24,821.38
Work-in-Progress	12,148.17	12,039.03
Total	**32,075.45**	**36,860.41**
Closing Inventories		
Finished Goods	21,591.90	19,927.28
Work-in-Progress	16,741.77	12,148.17
Total	**38,333.67**	**32,075.45**
(Increase)/decrease in inventories	**(6,258.22)**	**4,784.95**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

29 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Directors Remuneration and Commission	1,007.20	1,306.02
(b) Salaries, Wages and Bonus	13,652.77	12,146.75
(c) Contribution to provident and other funds	1,073.57	888.13
(d) Staff welfare expenses	1,066.87	753.85
(e) Expenses on Employees Stock Options Scheme(PSOP)	247.60	193.45
Total	**17,048.01**	**15,288.19**

A Post-employment benefits

(i) Provident Fund (defined contribution plan)

The Company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan are ₹ 899.87 Lakhs (PY ₹ 695.29 Lakhs).

(ii) Retirement Gratuity (defined benefit plans)

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The Company operates a funded defined benefit gratuity plan; it is a final-salary plan with contributions made to a separately administered fund managed by LIC,

During the year, a change in the eligible salary arising from the new labour codes resulted in a plan amendment; the resulting increase in the obligation of ₹ 189.10 Lakhs has been recognised as past service cost as on 21st November, 2025 (measured using a discount rate of 6.94%).

Defined benefit plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

(i) Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

(ii) Interest risk:

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

(iv) Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(v) Asset-liability matching risk:

The plan invests in line with Rule 101 of the Income Tax Rules, 1962. Concentration risk: the plan assets are held with a single insurer, so a default would affect all assets, although this probability is low

B Details of defined benefit obligations and plan assets (Gratuity)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Obligation at the beginning of the year	2,050.24	1,663.36
Current service cost	248.00	197.97
Past Service Cost	189.10	-
Interest costs	148.09	120.26
Remeasurement (gain)/loss	(152.38)	161.10
Benefits paid	(147.39)	(92.44)
Obligation at the end of the year	2,335.67	2,050.24
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,674.42	1,658.87
Interest income	121.83	119.94
Employers' contribution	300.00	17.13
Benefits paid	(147.39)	(92.44)
Return on Plan Assets, Excluding Interest Income	20.61	(29.08)
Fair value of plan assets at the end of the year	1,969.47	1,674.42
(c) Net defined benefit asset/ (liability) recognised in the balance sheet		
Present Value of Obligation	(2,335.67)	(2,050.24)
Fair Value of Plan Assets	1,969.47	1,674.42
	(366.19)	**(375.83)**
Recognised as:		
Provision for Gratuity (non-current)	-	-
Provision for Gratuity (current)	(366.19)	(375.83)
(d) Expense/(gain) recognised in the statement of profit and loss consists of:		
Employee benefits expenses:		
Current service cost	248.00	197.97
Net Interest Cost	26.26	0.32
Past Service Cost	189.10	-
Net defined benefit expense debited to statement of profit and loss	**463.36**	**198.29**
(e) Remeasurement (gain)/ loss recognised in other comprehensive income		
Actuarial (Gains)/Losses on Obligation For the Period	(152.38)	161.10
Return on Plan Assets, Excluding Interest Income	(20.61)	29.08
Recognised in other comprehensive income	(173.00)	190.18

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars		For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(f)	**Broad categories of plan assets as a percentage of total assets**		
	Insurer Managed Funds	100.00%	100.00%
(g)	**Principal assumptions used in determining defined benefit obligation**		
	Discount Rate	7.36%	6.79%
	Rate of escalation in Salary	5.00%	5.00%
	Rate of Employee Turnover	5.00%	5.00%
	Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
(h)	**Maturity profile of defined benefit obligation**		
	1st following year	300.43	245.21
	2nd following year	163.55	147.85
	3rd following year	227.92	158.53
	4th following year	193.73	192.02
	5th following year	188.83	156.45
	Sum of year 6 To 10	1,062.38	874.78
	Sum of years 11 and above	2,447.53	2,117.80
(i)	**Sensitivity analysis for significant assumptions:**		
	Defined Benefit Obligation on Current Assumptions	2,335.67	2,050.24
	Delta Effect of +1% Change in Rate of Discounting	(154.84)	(143.11)
	Delta Effect of -1% Change in Rate of Discounting	177.42	164.61
	Delta Effect of +1% Change in Rate of Salary Increase	167.85	156.07
	Delta Effect of -1% Change in Rate of Salary Increase	(149.52)	(139.02)
	Delta Effect of +1% Change in Rate of Employee Turnover	29.75	20.27
	Delta Effect of -1% Change in Rate of Employee Turnover	(33.85)	(23.24)

Notes:

(i) The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(ii) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(iii) Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

(iv) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(v) The Company is expected to contribute ₹ 651.67 Lakhs to defined benefit plan obligations funds for the year ended 31st March, 2027.

(vi) Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.

(vii) The Weighted Average Duration of the Plan works out to 9 years.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(viii) Asset Liability matching strategy:

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully prefund the liability of the Plan.

C Other long-term employee benefits

Annual Leave

(a) Financial Assumptions

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Discount Rate		
Discount Rate	7.36%	6.79%
Salary increases allowing for Price inflation	5.00%	5.00%

(b) Demographic Assumptions

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Employee Turnover	5.00%	5.00%
Leave Availment Ratio	2.00%	2.00%

Compensated absences (privilege leave)

Privilege leave is another long-term employee benefit measured using the projected unit credit method; remeasurements are recognised in profit or loss. The liability recognised is:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Present value of obligation (unfunded)	886.17	796.59
- Current	100.99	87.74
- Non-current	785.18	708.85

30 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) on borrowings from banks and others	4,160.27	2,410.31
(b) Interest on obligations under leases (note 17)	529.80	153.01
Total	**4,690.08**	**2,563.33**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

31 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Depreciation of Property, Plant and Equipment (Refer Note 4)	8,170.44	6,863.09
(b) Amortisation of Intangible Assets (Refer Note 4)	696.73	526.04
(c) Depreciation of Right of Use (ROU) Assets (Refer Note 4)	1,562.69	516.79
Total	**10,429.86**	**7,905.91**

32 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Power and water	8,788.11	8,018.52
(b) Processing Charges	604.44	625.50
(c) Environmental health and safety expenses	948.86	904.49
(d) Labour Contract Charges	5,398.35	4,218.52
(e) Safety & Security Charges	298.65	329.26
(f) Repairs and Maintenance:		
- Consumption of Stores & Spares	6,350.88	4,758.47
- Buildings	541.97	232.59
- Plant and Machinery	4,353.29	4,070.45
(g) Insurance Charges	583.59	714.91
(h) Research & Development Expenses	3,285.16	3,283.21
(i) Laboratory charges	940.07	893.25
(j) Rates and Taxes	409.70	257.67
(k) Legal & Professional Fees	1,116.65	736.64
(l) Director Sitting Fees	18.90	24.70
(m) Payments to the Auditors (note (a) below)	15.83	14.77
(n) Export, C&F and Freight Expenses	3,713.35	4,063.12
(o) Advertisement & Sales Promotion	379.01	263.83
(p) Rent paid	184.72	99.82
(q) Commission and Incentives on sales	485.24	799.63
(r) Provision for Expected Credit Loss	192.35	69.88
(s) Expenditure towards Corporate Social Responsibility (note (b) below)	565.20	430.16
(t) Miscellaneous Expenses*	806.90	1,215.30
Total	**39,981.21**	**36,024.70**

*It does not include any item of expenditure with a value of more than 1% of Revenue from Operations.

notes:

(a) Details of payments to Auditors (excluding GST)

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Payment to Auditors		
(a) as Auditors	12.00	12.00
(b) for Certification Services	2.45	1.65
(c) for Reimbursement of Expenses	1.38	1.12
Total	**15.83**	**14.77**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(b) Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details are as under:

Details of CSR Expenditure:

(₹ in Lakhs)

Particulars		For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a)	**Gross amount required to be spent by the Company during the year**	562.81	427.73
(b)	**Amount approved by the Board to be spent during the year**		
	Construction / acquisition of any asset		
	On purposes other than above	565.20	430.16
	Total	**565.20**	**430.16**
(c)	**Details of ongoing project and other than ongoing project**		
	(i) In case of Section 135(5) (other than ongoing project)		
	Opening Balance	**(29.71)**	**(27.28)**
	Amount required to be spent during the year	562.81	427.73
	Amount spent during the year	565.20	430.16
	Closing balance (Excess spent)	**(32.10)**	**(29.71)**
(e)	**Details related to spent amount**		
	(i) Education and skill Development	137.54	126.29
	(ii) Livestock Development	25.00	8.00
	(iii) Medical Grants, Healthcare Facilities	224.37	40.00
	(iv) Tribal Welfare, Rural and socially backward society Development	60.00	64.97
	(v) Water Manage ment- Conservation	-	44.78
	(vi) Women Empower ment And Livelihood	-	25.00
	(vii) Green Environment Project	0.99	5.48
	(viii) Other	117.30	116.00

Nature of CSR activities for the year ended 31st March, 2026 and 31st March, 2025:

Promoting education and women empowerment, preventive healthcare, supporting sports activities in rural areas of country, promoting hygiene sanitation practices, supporting clean and pollution free environment, for renovation of school, and for other activities as prescribed under Schedule VII of The Companies Act, 2013.

33 EARNING PER SHARE (EPS):

Particulars		For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a)	Net Profit available for Equity Shareholders (In Lakhs)	17,620.20	25,734.88
(b)	No. of Equity Shares as per financial statement	9,06,57,751	9,06,34,624
(c)	Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.)	9,06,43,044	9,06,34,624
(d)	Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.)	9,07,34,448	9,06,92,996

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars		For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(e)	Face value per Equity Share	₹ 5	₹ 5
(f)	Basic Earnings Per Share (in ₹) = (a/c)	19.44	28.39
(g)	Diluted Earnings Per Share (in ₹) = (a/d)	19.42	28.38

Footnotes:

(a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

(b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(c) Number of Shares for Computation of EPS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Basic EPS (in Nos)		
Existing number of equity shares	9,06,34,624	9,06,34,624
Weighted Average Equity shares Issued during the year	8,420	-
Weighted average number of Equity Shares	**9,06,43,044**	**9,06,34,624**
Diluted Earnings Per Share (in Nos)		
Existing number of equity shares	9,06,57,751	9,06,34,624
PSOP (with effect from 4th January, 2024)	10,567	23,084
PSOP (with effect from 13th May, 2024)	25,330	35,288
PSOP (with effect from 10th May, 2025)	40,800	-
Weighted average number of Equity Shares	**9,07,34,448**	**9,06,92,996**

34 SHARE BASED PAYMENTS

a Scheme details

The Company has Employees' Stock Option Scheme i.e. PSOP under which options have been granted at the exercise price of ₹ 5 per share to be vested from time to time on the basis of performance and other eligibility criteria. Details of number of options outstanding have been tabulated below:

Details of Employee Stock Options granted from 1st April, 2023 to 31st March, 2026

Financial Year (Year of Grant)	Number of Options Outstanding		Financial Year of Vesting	Exercise Price (K)	Market value at Grant Date
	31st March, 2026	31st March, 2025			
2023-24	10,567	23,084	2024-25 to 2026-27	₹ 5	₹ 496.84
2024-25	25,330	38,400	2025-26 to 2027-28	₹ 5	₹ 520.05
2025-26	40,800	-	2026-27 to 2028-29	₹ 5	₹ 765.45

Exercise period would commence from the date of Vesting or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee of the Board.

b Fair Value on the grant date

The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The model inputs for options granted during the year ended 31st March, 2025 and 31st March, 2026 are mentioned below:

(₹ in Lakhs)

Partculars		PSOP 1	PSOP 2	PSOP 3
i	Grant price - (R)	5	5	5
ii	Grant dates	1st April, 2024	13th May, 2024	10th May, 2025
iii	Vesting commences on	1st April, 2025	13th May, 2025	10th May, 2026
iv	Options granted and outstanding at the beginning of the year	-	-	-
v	Vesting commences on	FY 2024-25 to FY 2026-2027	FY 2025-26 to FY 2027-28	FY 2026-27 to FY 2028-29
vi	Options granted	31,700	40,000	42,000
vii	Options exercised	19,073	12,670	-
viii	Excercised lapsed / Transfer to pool account	2,060	2,000	1,200
ix	Options granted and outstanding at the end of the year, of which	10,567	25,330	40,800
	Options vested	-	-	-
	Options yet to vest	10,567	25,330	40,800
x	Weighted average remaining contractual life of options (in years)	1	2	3

(₹ in Lakhs)

Particulars		PSOP 1	PSOP 2	PSOP 3
i	Risk-free interest rate	7.18%	7.22%	6.14%
ii	Expected life of options	2.50	2.50	2.50
iii	Expected volatility	0.55	0.42	0.45
iv	Expected dividends over the life of the option	0.40%	0.38%	0.65%
v	Share price as on grant date	496.84	520.05	765.45
vi	Exercise price	5	5	5
vii	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option

Movement in share options during the year:

(₹ in Lakhs)

Particulars	31st March, 2026		31st March, 2025	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Balance at the beginning of the year	61,484.00	5	31,700	5
Granted during the year	42,000.00	5	40,000	5
Exercised during the year	(23,127.00)	5	(8,616)	5
Options forfeited / lapsed and transfer to pool account	(3,660.00)	5	(1,600)	5
Expired during the year	NIL	5	NIL	5
Balance at the end of the year	**76,697.00**	**5**	**61,484**	**5**
Exercisable at the end of the year	NIL	5	NIL	5

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Scheme description -

The Employees' Stock Option Scheme is an equity-settled plan. Options are granted at an exercise price of ₹ 5 and vest in a graded manner over three years subject to continued service; the exercise period commences on vesting andruns upto a Maximum period of 7 years from the date of respective grant of Options Each option, on exercise, entitles the holder to one equity share of face value ₹ 5.

Effect on profit or loss

Total expense recognised during the year for equity-settled share-based payment transactions: ₹ 247.60 Lakhs (previous year: ₹ 193.45 Lakhs), included in employee benefits expense and credited to the Employee Stock Option Plan reserve (Note 15(e)). There are no cash-settled share-based payment transactions, and accordingly no liability.

Exercise-price range & remaining life

Weighted average share price at the date(s) of exercise (23,127 options exercised): Rs 706. Options outstanding at 31st March 2026: range of exercise prices Rs 5 (single price); weighted average remaining contractual life 3 years (PSOP 1 / 2 / 3: 1 / 2 / 3 years).

35 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(a) Contingent Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Claims against the Company not acknowledged as debts		
Bank guarantees issued to statutory authorities and other bodies	793.79	719.94
Total	**793.79**	**719.94**

(b) Commitments

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Estimated amount of contracts remaining to be executed on		
Capital account and not provided for (net of advances)	2,893.05	6,696.78
Total	**2,893.05**	**6,696.78**

36 SEGMENT INFORMATION

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers (CODM). The board responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Pharmaceuticals.

(a) Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(b) Geographical Information

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Segment Revenue		
Within India	79,031.81	82,280.82
Outside India	98,028.80	92,361.80
Total revenue from customers	1,77,060.61	1,74,642.62
Add : Incentive	2,694.56	2,492.55
Total	**1,79,755.17**	**1,77,135.18**
Non-Current Assets*		
Within India	1,84,736.35	1,44,890.09
Outside India	-	-
Total	**1,84,736.35**	**1,44,890.09**

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

(c) Information about major customers

During the year ended 31st March, 2026 and 31st March, 2025, no single customer who contributed 10% or more to the Company's revenue.

37 RESEARCH AND DEVELOPMENT ACTIVITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Recurring Expenditure (see note No 32)	3,285.16	3,283.21
Capital expenditure		
(a) Tangible Assets (see note No 4)	1,060.23	493.94
(b) Intangible Assets (see note No 4)	3,893.80	4,184.10
Total	**8,239.19**	**7,961.25**

38 RELATED PARTY TRANSACTIONS

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

(a) Subsidiaries (where control exists):

Particulars	Country of Incorporation	% of Holding as at 31st March, 2026	% of Holding as at 31st March, 2025
(i) Aarti USA Inc	USA	100	100
(ii) Aarti Pharmachem Limited	India	100	100

(b) Joint Venture Entity

Particulars	Country of Incorporation	% of Holding as at 31st March, 2026	% of Holding as at 31st March, 2025
Ganesh Polychem Limited	India	50	50

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(c) Key Managerial Personnel:

Name	Designation
(i) Shri Rashesh C. Gogri	Chairman
(ii) Smt. Hetal Gogri Gala	Vice Chairperson & Managing Director
(iii) Shri Narendra Salvi	Managing Director
(iv) Shri Rajendra V. Gogri	Non- Executive Director
(v) Shri Parimal H. Desai	Non- Executive Director
(vi) Smt Nehal Garewal	Non- Executive Director
(vii) Shri Vilas Gaikar	Independent Director
(viii) Shri Bhavesh Vora	Independent Director
(ix) Shri Vinay Nayak	Independent Director
(x) Smt. Jeenal Savla	Independent Director
(xi) Smt. Rupal Vora	Independent Director
(xii) Shri Pradeep Thakur	Independent Director
(xiii) Shri Piyush Lakhani	Chief Financial Officer
(xiv) Shri Jeevan Mondkar	Company Secretary

(d) Close family members of Key Managerial Personnel who are under the employment of the Company:

Shri Chandrakant V Gogri

(e) Other entities/persons where significant influence exist:

Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promotors/ Group of Promotoers

Aarti Industries Limited

Aarti Drugs Limited

Alchemie Gases and Chemicals Private Limited

Valiant Organics Limited

Valiant Laboratories Limited

Alchemie Finechem Limited

Pinnacle Lifesciences Private Limited

Aanvi Speciality Chemicals

Prozeal Green Energy Private Limited (ceased to be a Related Party wef 25-Mar-2026)

Aarti Ventures Private Limited

Amulya Techline Engineers (Div of Dilesh Roadlines Private Limited)

Kalpesh Roadlines Limited

Aarti Surfactants Limited

Valiant Advanced Sciences Private Limited

Bio Fuel Circle Private Limited

Dhan Vallabh Welfare Foundation

Aarti Foundation

Pro-Zeal Green Energy Five Private Limited

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Compensation of key management personnel of the Company:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) Short-term employee benefits including Remuneration and Commission	1,139.01	1,322.07
(ii) Share-based payments	106.37	-
(iii) Post-employment benefits	-	-
(iv) Other long-term benefits	-	-
(v) Termination benefits	-	-
(vi) Director Sitting fees	18.90	24.70

Details of transactions with and balances outstanding of subsidiaries and Joint Venture:

(₹ in Lakhs)

Name of related party	Nature of transaction	31st March, 2026		31st March, 2025	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Aarti USA INC	Equity Investment	-	65.76	-	65.76
	Revenue from Sale of Products	446.86	690.21	532.80	427.90
Aarti Pharmachem Limited	Equity Investment	-	25.00	-	25.00
Ganesh Polychem Limited	Equity Investment	-	1,260.86	-	1,260.86
	Interest on Advance	107.70	148.24	40.54	40.54
	Advance received	0.00	1,500.00	1,500.00	1,500.00
	Dividend received	557.69	-	898.49	-
	Purchase of goods or services	189.34	-	244.90	-
	Revenue from Sale of Products	1,606.36	613.64	941.64	0.23

The Company has received loan Advance from Ganesh Polychem Limited. The loan carries interest rate of 8 % p.a.

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promotors/ Group of Promotoers

(₹ in Lakhs)

Name of related party	Nature of transaction	31st March, 2026		31st March, 2025	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Shri Chandrakant V Gogri	Rent	12.54	(0.90)	14.82	(0.97)
Aarti Industries Limited	Purchase of goods or services	3,724.33		2,314.64	(1,820.11)
	Revenue from Sale of Products	4,185.37	107.47	9,290.88	-
Aarti Drugs Limited	Purchase of goods or services	574.91	-	18.00	-
	Revenue from Sale of Products	468.45	(184.53)	269.79	116.47
Alchemie Gases and Chemicals Private Limited	Purchase of goods or services	0.28	0.44	3.35	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Name of related party	Nature of transaction	31st March, 2026		31st March, 2025	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Valiant Organics Limited	Purchase of goods or services	1,008.24	(51.16)	6,402.07	-
	Revenue from Sale of Products	216.86	-	2,035.77	728.19
	Deposit	1,500.00	1,500.00	-	-
	Conducting cum Loan & License Fees	1,548.75	-	-	-
	Reimbursement of Expense	1,295.23	-	-	-
	Interest on Deposit	97.84	97.84	-	-
Valiant Laboratories Limited	Purchase of goods or services	1,216.52	(325.00)	643.39	(72.76)
	Deposit for Rent	-	90.59	-	90.59
	Revenue from Sale of Products	320.62	-	239.74	-
	Rent	354.00	-	354.00	-
Alchemie Finechem Limited	Purchase of goods or services	61.35	(57.21)	165.93	-
	Revenue from Sale of Products	2,224.79	-	1,834.63	55.01
Pinnacle Lifesciences Private Limited	Revenue from Sale of Products	599.43	239.95	480.54	377.19
Aanvi Speciality Chemicals	Purchase of goods or services	187.11	(46.52)	193.95	(25.12)
	Revenue from Sale of Products	-	-	34.28	-
Prozeal Green Energy Private Limited	Purchase of goods or services	79.50	-	8,550.76	(7.11)
Aarti Ventures Private Limited	Interest Income	52.67	-	52.70	-
	Investment	-	738.33	-	738.48
	Loan ICD	-	777.54	-	730.13
Kalpesh Roadlines Limited	Purchase of goods or services	1,153.53	(144.88)	-	-
Aarti Surfactants Limited	Sale of goods or services	1.35	-	-	-
Valiant Advanced Science Pvt Ltd	Purchase of goods or services	21.60	(21.58)	-	-
Bio Fuel Circle Private Limited	Purchase of goods or services	12.65	(7.48)	-	-
Dhan Vallabh Welfare Foundation	CSR Expenditure	80.00	-	-	-
Aarti Foundation	CSR Expenditure	380.00	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Name of related party	Nature of transaction	31st March, 2026		31st March, 2025	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Pro-Zeal Green Energy Five Private Limited	Equity Investment	-	6.30	6.30	6.30
	Compulsorily convertible debentures	261.63	261.63	-	-
Amulya Techline Engineers (Div of Dilesh Roadlines Private Limited)	Purchase of goods or services	1,536.82	9.02	1,131.22	(1.16)

The company has given unsecured loan to Aarti Ventures Private Limited. The loan carries interest rate of 9 % p.a.

39 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUES

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Category-wise classification for applicable financial assets:

(₹ in Lakhs)

Particulars	Current/ NonCurrent	31st March, 2026				31st March, 2025			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets									
Financial assets measured at cost									
Investment in Subsidiaries	Non- Current	1,351.62	-	-	-	1,351.62	-	-	-
Financial assets measured at amortised cost									
Security Deposits	Non- Current	3,517.41	-	-	-	1,345.09	-	-	-
Loans to Other	Non- Current	777.54	-	-	-	730.13	-	-	-
Trade Receivables	Current	58,655.22	-	-	-	55,259.04	-	-	-
Cash on hand	Current	12.26	-	-	-	9.62	-	-	-
Balance with Banks	Current	541.42	-	-	-	273.89	-	-	-
Other Fixed Deposits	Current	108.56	-	-	-	68.54	-	-	-
Loans to employees	Current	49.57	-	-	-	75.81	-	-	-
Interest Receivable	Current	-	-	-	-	111.42	-	-	-
		65,013.59	**-**	**-**	**-**	**59,225.17**	**-**	**-**	**-**
Financial assets measured at fair value through other comprehensive income (FVTOCI)									
Investments in Equity Shares	Non - Current	3,050.36	-	-	3,050.36	2,763.79	-		2,763.79
Investments in Bonds	Current	-	-	-	-	1,587.77	1,587.77	-	-
		3,050.36	**-**	**-**	**3,050.36**	**4,351.56**	**1,587.77**	**-**	**2,763.79**
Total Financial Assets		**68,063.95**	**-**	**-**	**3,050.36**	**63,576.72**	**1,587.77**	**-**	**2,763.79**
Financial Liabilities									
Financial liabilities measured at amortised cost									
Long term borrowings - Term Loans from Banks	Non - Current	18,581.14	-	-	-	10,355.56	-	-	-
Long-term maturities of lease obligations	Non - Current	5,217.60	-	-	-	1,166.89	-	-	-
Short -term maturities of lease obligations	Current	1,655.09	-	-	-	496.23	-	-	-
Short term borrowings - Working capital loans from Banks	Current	49,982.30	-	-	-	29,129.95	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Current/ NonCurrent	31st March, 2026				31st March, 2025			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Trade Payables									
- Due to Micro, Small and Medium Enterprises	Current	116.72	-	-	-	939.85	-	-	-
- Due to Others	Current	32,313.04	-	-	-	23,957.01	-	-	-
Non Current Financial Liabilities	Non - Current	1,500	-	-	-	1,500.00			
Other Current Financial Liabilities	Current	5,870.46	-	-	-	4,662.79			
Financial liabilities measured at FVTPL / FVTOCI									
Non Current Financial Liabilities	Non - Current	2,435.98	-	-	2,435.98				
Other Current Financial Liabilities	Current	498.12	-	498.12	-		-	-	-
Total Financial Liabilities		**1,18,170.45**	**-**	**498.12**	**2,435.98**	**72,208.28**			

Note -

For financial instruments measured at amortised cost, carrying value approximates their fair value

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, listed redeemable preference shares for which sufficient observable market data was not available during the year, etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's Risk Management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge foreign currency risk and interest rate risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

A 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 risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. Company's interest rate risk arises from borrowings.

The following table demonstrates the sensitivity on the Company's profit before tax, to a reasonably possible change in interest rates of variable rate borrowings on that portion of loans and borrowings affected, with all other variables held constant:

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25
50 BPS increase would (decrease) the Profit before Tax by (Ref. note 16.1)	(114.46)	(51.78)
50 BPS decrease would increase the Profit before Tax by (Ref. note 16.1)	114.46	51.78

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts in several currencies and consequently the Company is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The Company also has borrowings in foregin currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates / depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

As at the end of the reporting period, the carrying amounts of the foreign currency denominated monetary assets and liabilities set out below, translated at the closing exchange rate of ₹ 94.835 per US$. Derivative financial instruments are excluded and are disclosed separately in (b) below:

(a)

(₹ in Lakhs)

Particulars	31st March, 2026		31st March, 2025	
	Amount in foreign currency	Amount (₹)	Amount in foreign currency	Amount (₹)
Liabilities				
United States Dollar (US$) – borrowings (Note 16)	(459.15)	(43,543.11)	(244.15)	(20,869.60)
United States Dollar (US$) – trade and other payables	(91.1)	(8,639.47)	(55.63)	(4,755.57)
Euro	(0.07)	(2.37)	(0.14)	(12.9)
GBP	(0.11)	(13.74)	-	-
AED	(0.05)	(1.14)	(0.05)	(1.12)
CNY	(0.74)	(9.68)	(0.08)	(0.99)
CHF	(0.58)	(53.13)	0.58	56.13
JPY	-	-	(4.26)	(2.42)
	(551.8)	**(52,262.64)**	**(303.73)**	**(25,586.47)**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31st March, 2026		31st March, 2025	
	Amount in foreign currency	Amount (₹)	Amount in foreign currency	Amount (₹)
Assets				
United States Dollar (USD)	335.59	31,825.68	352.72	30,150.31
Euro	0.84	96.7	1.35	124.65
GBP	-	-	-	-
AED	9.1	221.4	23.18	539.28
CNY	3.32	43.92	40.11	471.29
CHF	-	-	-	-
	348.85	**32,187.70**	**417.36**	**31,285.53**
Net foreign currency denominated monetory liability/(asset) (total)				
United States Dollar (USD)	(214.66)	(20,356.90)	52.94	4,525.14
Euro	0.77	94.33	1.21	111.75
GBP	(0.11)	(13.74)	-	-
AED	9.05	220.26	23.13	538.16
CNY	2.58	34.24	40.03	470.3
CHF	(0.58)	(53.13)	0.58	56.13
JPY	-	-	(4.26)	(2.42)
	(202.95)	**(20,074.94)**	**113.63**	**5,699.06**

(b) Derivative financial instruments

Instrument	Notional (FC in lakhs)	Notional (₹ in lakhs)	Carrying amount (₹ in lakhs)	Designation
Forward exchange contracts – hedges of highly probable forecast export sales	US$ 89.50	8,487.73	(498.12)	Cash flow hedge
Target redemption forward	US$ 232.875	22,084.70	(2,972.94)	Not designated – FVTPL

Foreign Currency Risk Sensitivity

The following table sets out the effect of a 0.5% increase / (decrease) in the exchange rate of each foreign currency against the Indian Rupee at the reporting date, with all other variables held constant, on profit before tax. The analysis is applied to the net recognised monetary items set out in (a) above and excludes the effect of changes in the fair value of derivative financial instruments

(₹ in Lakhs)

Particulars	FY 2025-26		FY 2024-25	
	+50 bps	-50 bps	+50 bps	-50 bps
United States Dollar (US$)	(101.78)	101.78	(20.33)	20.33
Euro	0.47	(0.47)	0.56	(0.56)
GBP	(0.07)	0.07	-	-
AED	1.10	(1.10)	2.69	(2.69)
CNY	0.17	(0.17)	2.35	(2.35)
CHF	(0.27)	0.27	0.28	(0.28)

The Company uses forward exchange contracts to hedge foreign-exchange exposures on underlying transactions and firm commitments and does not enter into derivatives for trading or speculation. Hedge accounting (Ind AS 107.22A-24B)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The Company uses forward exchange contracts to hedge foreign-exchange exposures on underlying transactions and firm commitments and does not enter into derivatives for trading or speculation. Outstanding forward contracts hedge US$ 77 Lakhs of highly probable forecast exports (previous year: US$ 101 Lakhs).

Hedge accounting (Ind AS 107.22A-24B). The forward contracts are designated as cash-flow hedges of highly probable forecast US$ sales; an economic relationship exists (critical terms substantially match) and is assessed by the dollar-offset method with a ±5% spot shock, giving a hedge ratio of 1:1 and a prospectively effective hedge. The hedging instruments (US$ 7,700,000, maturing within one year) have a carrying value of ₹ (498.12) Lakhs; the effective portion is deferred in the Cash Flow Hedge Reserve (Note 15(g)) and ineffectiveness recognised in profit or loss is ₹ Nil.

Derivative not designated as a hedge (FVTPL): the US$/₹ target-redemption forward with Standard Chartered Bank - notional US$ 23,287,500 (₹ 22,084.70 Lakhs), fair value ₹ (2,972.94) Lakhs, a Level 3 measurement.

The target-redemption forward is not hedge-accounted; its notional amount is disclosed in (b) above for information only. The notional is not a monetary asset or liability of the Company; the Company's exposure arising from the instrument is reflected in its fair value, which is recognised in the Statement of Profit and Loss. Contractual maturities of the notional are US$ 58.50 Lakhs / ₹ 5,547.85 Lakhs within one year and US$ 174.375 Lakhs / ₹ 16,536.85 Lakhs between one and five years, with final settlement in March 2030

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. The Company ensures that sales of products are made to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the management. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks.

Refer footnotes c and d below note no.10 for ageing of trade receivables and movement in credit loss allowance.

(C) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based limit from various banks. Furthermore, the Company has access to undrawn lines of committed borrowing/facilities. The Company consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

(i) Financing arrangements

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25
Borrowing facilities		
- Amount used (Fund based)	65,910.09	39,129.95
- Amount used (Unfund based)	4,604.37	2,264.03
- Amount unused	8,585.54	13,606.02
Total	**79,100.00**	**55,000.00**

(ii) Financing arrangements

Maturity profile of financial liabilities

(₹ in Lakhs)

Particulars	31st March, 2026		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2026			
- Borrowings and future interest thereon	49,982.30	18,581.14	-
- Lease Liabilities	1,655.09	5,046.93	170.67
- Non Current Financial Liabilities	-	3,185.98	750.00
- Trade Payables	32,429.76	-	-
- Current Financial Liabilities	6,368.58	-	-
Total	**90,435.74**	**26,814.05**	**920.67**

(₹ in Lakhs)

Particulars	31st March, 2025		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2025			
- Borrowings and future interest thereon	29,129.95	10,355.56	-
- Lease Liabilities	496.23	1,166.89	-
- Non Current Financial Liabilities	-	750.00	750.00
- Trade Payables	24,896.86	-	-
- Current Financial Liabilities	4,662.79	-	-
Total	**59,185.83**	**12,272.45**	**750.00**

(D) 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 shareholders. The primary objective of the Company's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Company. The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Borrowings - Current and Non-Current (See Note 16)	68,563.44	39,485.52
Lease obligations - Current and Non-Current (See Note 17)	6,872.69	1,663.12
Less: cash and cash equivalent (See Note 11)	(553.67)	(283.51)
Less: other balances with banks (See Note 12)	(36.94)	(33.62)
Less: current investments (See Note 5.3)	-	(1,587.77)
Net Debts	**74,845.52**	**39,243.74**
Total Equity	1,98,235.06	1,84,387.10
% Net debt to equity ratio	**37.76%**	**21.28%**

The Company has included other bank balances as part of total cash. The same are excluding balances pertaining to earmarked unpaid dividend accounts.
excluding investment in subsidiaries, JV.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

41 OTHER DISCLOSURES

(a) Details of Benami Property Held

The Company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(b) Relationship With Struck off Companies

The Company has no transactions/balance with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956

(c) Willful Defaulter

The Company has not been declared a willful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

(d) Registration Of Charges Or Satisfaction With Registrar Of Companies

The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period except for working capital of ₹ 75 Cr

(e) Details Of Crypto Currency Or Virtual Currency

The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year

(f) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(g) 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:

(i) 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

(ii) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(h) Undisclosed Income

The Company has not had any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(i) Borrowings Obtained on the Basis of Security of Current Assets

For the borrowings secured against current assets, the Company has filed Quarterly statements of current assets with the banks and are not wholly in agreement with the books of account. Refer Note 16.2 for the reconciliation of differences.

(j) Utilisation of Borrowed Funds and Share Premium

As on 31st March, 2026 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(k) Revaluation Of Property, Plant And Equipment And Intangible Assets

The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(l) Compliance With Number of Layers of Companies

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017

(m) With effect from 1st April, 2025 the Company migrated its books of account from SAP ECC to SAP S/4HANA Public Cloud, a Software-as-a-Service platform hosted, configured and operated by SAP SE application-level audit trail (edit log) capturing the user, date and details of each change remained operational throughout the year for all relevant transactions; a posted financial document cannot be deleted or modified for data points impacting the financial statements, the feature has not been tampered with, and it cannot be disabled by users of the Company.

As the platform is a public-cloud SaaS environment, its configuration and database are managed by the service organisation and users of the Company are not granted database- or super-user-level access. The Company has obtained an independent service auditor's [ISAE 3402 / SOC 1] Type 2 report covering the cloud infrastructure and platform controls; this does not specifically address audit-trail maintenance at the configuration and database levels, which are, by the architecture of a public-cloud service, not independently verifiable by the Company. Reliance for these layers is placed on the service organisation and its independent assurance, supplemented by a bridge letter. The Company is obtaining an application-specific report covering audit-trail maintenance for subsequent periods.

(n) Foreign Exchange Derivative Contract

The Company had entered into a target redemption forward contract during the FY 2024-25 for hedging anticipated US$ export inflows. The contract is a zero-cost derivative with no cash payments during FY 2024-25 and was inadvertently not included in the fair value calculations made by the Company for that year. The omission was identified during the preparation of the financial statements for FY 2025-26.

Based on a valuation exercise carried out by an expert, the fair value impact as at 31st March, 2025 of ₹ 6.02 Crores (₹ 4.50 Crores net of deferred tax) was not material to the financial statements of FY 2024- 25, and comparative figures have not been restated.

Since the hedge effectiveness of the contract cannot be reliably established, the contract is measured at Fair Value Through Profit and Loss (FVTPL). The fair value impact of ₹ 29.73 Crores (₹ 22.24 Crores net of deferred tax) has been recognised in the Statement of Profit and Loss during the year ended 31st March, 2026.

(o) Exceptional Items

On 21st November, 2025, the Government of India notified the four 'Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed gratuity liability and has disclosed the incremental impact of these changes of ₹ 279 Lakhs (Gratuity ₹ 189 Lakhs and leave salary ₹ 90 Lakhs) on the basis of information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact under "Exceptional item" in the Standalone Statement of Profit and Loss for the year ended 31st March, 2026.

Said incremental impact primarily arises due to change in wage definition. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect based on such developments as needed.

(p) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors in case of a company, and, by the corresponding approving authority in case of any other entity for issue. Two types of events can be identified:

(i) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(ii) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

As on 25th May, 2026 there were no material subsequent events to be recognised or reported that are not already disclosed.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

42 RATIO ANALYSIS

(₹ in Lakhs)

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasoning
Liquidity Ratio						
Current Ratio (times)	Current Assets	Current Liabilities = Total current liabilities - Current maturities of non-current borrowings and lease obligations	1.61	1.97	(18.34%)	Not Applicable
Solvency Ratio						
Debt to Equity ratio (times)	Net debt = Non-current borrowings + Current borrowings - Current investments - Cash and cash equivalents - Other balances with banks	Total Shareholder's Equity	0.34	0.20	68.24%	Increase in Borrowing due to term loan taken during the year for capex
Debt Service Coverage Ratio (times)	Earnings before interest, Depreciation & Amortisation	Total debt service = [Interest on Borrowing + Principal Repayment]	7.87	14.12	(44.28%)	Due to increase in finance cost pertaining to new borrowings and to previous year
Profitability ratio						
Net Profit Ratio (%)	Profit after tax	Revenue from operations	9.80%	14.53%	(32.53%)	Decrease in Net Profit due to Increased Depreciation cost, Finance cost and Forex Loss.
Return on Equity Ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	9.21%	14.85%	(37.99%)	The return on equity has reduced on account of decrease in net profit as compared to previous year
Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Assets - Current Liabilities]	12.49%	18.75%	(33.41%)	Decrease in EBIT due mainly to Depreciation, Forex Loss and increase in Long Term Borrowings to fund Capex.
Return of Investment	Earnings before interest and tax	Average Total Assets	10.64%	15.97%	(33.40%)	Due to decrease in EBIT mainly on account of increased Depreciation & Forex Expenses. The Assets also increased due to Capex.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasoning
Utilisation Ratio						
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	1.39	1.48	(5.79%)	Not Applicable
Trade Receivables Turnover Ratio	Revenue from Sale of Products and Services	Average Trade Receivable	3.10	3.48	(12.36%)	Not Applicable
Trade Payable Turnover Ratio	Net Credit Purchases & other expenses	Average Trade Payable	4.35	4.71	(7.58%)	Not Applicable
Net Capital Turnover Ratio	Revenue from Operations	Average Working capital = Current assets – Current liabilities	3.40	3.03	12.12%	Not Applicable

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

Place: Mumbai
Date: 25th May, 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AARTI PHARMALABS LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **Aarti Pharmalabs Limited** (the "Holding Company") and its subsidiaries and joint venture (Holding Company, its subsidiaries and joint venture together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2026, the Consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries and joint venture referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2026, and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the reports of the other auditors referred to in the 'Other Matters' section below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accuracy, Completeness and Disclosure with reference to Ind AS 16 of Property, Plant and Equipment (including Capital Work-in-Progress) The carrying value of property, plant and equipment (including capital work-in-progress) as on 31st March 2026 of Rs. 1,64,112.91 Lakhs (as on 31st March 2025 of Rs. 1,39,526.90 Lakhs) includes Rs. 40,417.38 Lakhs capitalised / transferred from capital work-in-progress during the year (Rs. 17,395.28 Lakhs for FY 2025). Cost recognition of Property, Plant and Equipment as specified in Ind AS 16 is based on completion of asset construction activities and management assessment and judgement that the asset is capable of operating in the manner intended.	Our audit procedures, amongst others, included the following: • Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure. • Assessing the Group's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment, including Capital Work-in-Progress, with reference to Ind AS 16. • Reviewing management judgment pertaining to estimation of useful life and depreciation of Property, Plant and Equipment, as well as its assessment that the asset is ready for its intended use.

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
	The asset capitalisation is the outcome of various procurements, approvals from operations experts in the Group and judgements by the management and therefore, required significant audit attention. Refer Note 4: Property, Plant and Equipment in Notes to the Consolidated Financial Statements.	• Verifying the capitalisation of borrowing cost incurred on qualifying assets in accordance with Ind AS 23: Borrowing Costs. • Ensuring adequacy of disclosures in the consolidated financial statements.
2	**Accounting for Derivative Financial Instruments** The Group uses derivative financial instruments, primarily foreign exchange forward contracts, to manage its exposure to foreign currency risk arising from anticipated transactions and recognised financial assets and liabilities. These instruments are measured at fair value at each reporting date under Ind AS 109, with fair value movements recognised either in the Statement of Profit and Loss or in Other Comprehensive Income, depending on hedge designation. The matter required significant audit attention given the judgement involved in fair value determination, hedge designation and effectiveness testing, and the classification of fair value movements between the Statement of Profit and Loss and Other Comprehensive Income. Refer Notes 39, 40 and 41(n) to the Consolidated Financial Statements.	Our procedures included: • Obtaining a listing of derivative contracts outstanding at the reporting date and reconciling it to signed contract documentation and mark-to-market statements received from counterparty banks. • Obtaining an independent valuation of derivative positions with the involvement of an auditor's expert engaged under SA 620 and investigating differences with counterparty mark-to-market statements. • For derivatives designated as hedging instruments, evaluating the hedge designation documentation, eligibility under Ind AS 109, and the methodology and results of hedge effectiveness testing. • Evaluating the classification of fair value movements between the Statement of Profit and Loss and Other Comprehensive Income, and the related deferred tax. • Evaluating the accounting treatment for cash settlements and reclassifications from the Cash Flow Hedge Reserve to the Statement of Profit and Loss on settlement of hedged transactions. • Reviewing the adequacy of disclosures under Ind AS 107 and Ind AS 113.

EMPHASIS OF MATTER

We draw attention to Note 41(n) to the consolidated financial statements regarding a foreign exchange derivative contract entered into during FY 2024-25 that was inadvertently not fair-valued in that year. The omission was identified by the Management during the preparation of these consolidated financial statements, and the resulting fair value impact has been recorded in the current year. The fair value impact as at 31st March 2025 was assessed by the Holding Company as not material to the financial statements of FY 2024-25, and accordingly comparative figures have not been restated. The full fair value impact has been recognised in the Consolidated Statement of Profit and Loss for the year ended 31st March 2026.

Our opinion is not modified in respect of this matter.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures thereto, Business Responsibility and Sustainability Report, Corporate Governance Report, and Shareholder Information, but does not include the consolidated financial statements and our auditor's report thereon, which we expect to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

When we read the additional information mentioned above that will be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF THE MANAGEMENT AND BOARD OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated cash flows, and consolidated changes in equity of the Group, its subsidiaries and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

The respective Boards of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of its respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate the Group or the respective companies or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and its joint venture are also responsible for overseeing the financial reporting process of the Group and its joint venture.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material 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 consolidated financial statements.

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

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

INDEPENDENT AUDITOR'S REPORT

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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) in evaluating the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) The accompanying consolidated financial statements include the audited financial statements / financial information in respect of:

Financial Statements of Subsidiary and Joint Venture not audited by us

- One domestic subsidiary (Aarti Pharmachem Limited) whose financial statements reflect total assets of Rs. 20.40 Lakhs (before consolidation adjustments) as at 31st March 2026, total revenue from operations of Rs. NIL (before consolidation adjustments), total net (loss)/profit after tax of Rs. (0.52) Lakhs (before consolidation adjustments) and total comprehensive income/ (loss) of Rs. (0.52) Lakhs (before consolidation adjustments) for the year ended 31st March 2026, and net cash outflow of Rs. 0.53 Lakhs (before consolidation adjustments) for the year then ended, as considered in the consolidated financial statements.
- One foreign subsidiary (Aarti USA Inc.) whose financial statements reflect total assets of Rs. 1,271.48 Lakhs (before consolidation adjustments) as at 31st March 2026, total revenue from operations of Rs. 2,635.94 Lakhs (before consolidation adjustments), total net (loss)/profit after tax of Rs. (212.65) Lakhs (before consolidation adjustments) and total comprehensive income/

INDEPENDENT AUDITOR'S REPORT

(loss) of Rs. (389.85) Lakhs (before consolidation adjustments) for the year ended 31st March 2026, and net cash outflow of Rs. 74.57 Lakhs (before consolidation adjustments) for the year then ended, as considered in the consolidated financial statements.

- One joint venture (Ganesh Polychem Limited) whose financial statements reflect the Group's share of net profit after tax of Rs. 799.83 Lakhs (before consolidation adjustments) and the Group's share of total comprehensive income of Rs. 748.24 Lakhs (before consolidation adjustments) for the year ended 31st March 2026, as considered in the consolidated financial statements.

These financial statements have been audited by other independent auditors, whose reports have been furnished to us by the management of the Holding Company. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, and our report on Other Legal and Regulatory Requirements below, are based solely on the reports of such other auditors and the procedures performed by us as stated in the "Auditor's Responsibilities" section above.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and other financial information of the subsidiary and the joint venture referred to in the Other Matters section we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 1(h)(vi) below regarding the audit trail in the SaaS accounting software used by the Holding Company, in respect of which we are unable to express an opinion.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary incorporated in India, and the audited financial statements of its joint venture incorporated in India, considered for the purpose of preparation of the Consolidated Financial Statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS 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 of the Holding Company as on 31st March 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and joint venture incorporated in India, none of the directors of the Group Companies incorporated in India, is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) The modification arising from the maintenance of the audit trail on the SaaS accounting software used by the Holding Company, in respect of the database-level audit trail and configuration controls managed by the third-party service provider, is as stated in paragraph 1(h)(vi) below on reporting under Rule 11(g).

   (g) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary and joint venture incorporated in India.

   (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,

INDEPENDENT AUDITOR'S REPORT

as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiary and the joint venture:

i. The Group does not have any pending litigations which would impact its consolidated financial position – Refer Note 35 to the consolidated financial statements.

ii. The Group has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and joint venture incorporated in India.

iv. (a) The respective Managements and Boards of Directors of the Holding Company, its subsidiary and the joint venture, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiary and joint venture respectively that, to the best of their knowledge and belief, as disclosed in Note No. 41 to the consolidated financial statements, 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 Holding Company or any such subsidiary or joint venture to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any such subsidiary or joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements and Boards of Directors of the Holding Company, its subsidiary and the joint venture, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiary and joint venture respectively that, to the best of their knowledge and belief, as disclosed in Note No. 41 to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any such subsidiary or joint venture from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any such subsidiary or joint venture 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures performed by us and those performed by the auditors of the subsidiary and joint venture incorporated in India whose financial statements have been audited under the Act, 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. On the basis of our examination and on consideration of the reports of the statutory auditors of the subsidiary and the joint venture that are Indian companies under the Act:

(a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year, is

INDEPENDENT AUDITOR'S REPORT

in accordance with Section 123 of the Act, as applicable. The subsidiary and joint venture incorporated in India have neither declared nor paid any dividend during the year.

(b) The interim dividend declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable. The subsidiary and joint venture incorporated in India have neither declared nor paid any interim dividend during the year.

(c) The Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi. **In respect of the Holding Company:** Based on our examination, which included test checks, the Holding Company has used a Software-as-a-Service ("SaaS") accounting software operated by a third-party service provider on a public cloud platform for maintaining its books of account. We have verified, on a test-check basis, that the said software has a feature of recording audit trail (edit log) at the transaction level capturing the user, date and details of changes, and the same was operative for the transactions test-checked by us during the year.

The configuration controls preventing the audit trail from being disabled, and the underlying database-level audit trail, are managed exclusively by the service organisation and are not independently verifiable by us. The Independent Service Auditor's Report under ISAE 3402 made available to us covers the underlying cloud infrastructure and platform controls but does not specifically address audit trail maintenance in line with the requirements of the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014. Accordingly, in respect of the Holding Company, we are unable to comment on whether the audit trail feature was operated throughout the year for all relevant transactions recorded in the software, or whether there were any instances of the audit trail feature being tampered with.

The audit trail of the previous financial year ended 31st March 2025, which was generated in the on-premise accounting software then used by the Holding Company, has been preserved by the Holding Company as per the statutory requirements for record retention. The exception reported in the previous year in respect of the database-level audit trail continues to apply.

In respect of the subsidiary and the joint venture incorporated in India: Based on the reports of the respective auditors of these entities, the accounting software used by these entities for maintaining their books of account has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions, and there were no instances of the audit trail feature being tampered with. The audit trail in respect of these entities has been preserved by the respective entities as per the statutory requirements for record retention.

2. In our opinion, and according to the information and explanations given to us, the remuneration paid by the Holding Company and the subsidiary and joint venture incorporated in India, to their respective directors during the year is in accordance with Section 197 of the Act and the rules thereunder. The remuneration paid to any such director is within the limits laid down under Section 197 of the Act.

3. With respect to the matter specified in paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us, and based on the CARO report issued by us in respect of the Holding Company and the CARO reports of the subsidiary and joint venture incorporated in India issued by their respective auditors and provided to us, the following qualifications/adverse remarks have been reported:

INDEPENDENT AUDITOR'S REPORT

Name of the Group	Holding / Component	Clause number of the CARO report
Aarti Pharmalabs Limited	Holding Company	3(i)(c), 3(ii)(b), 3(iii)(c,d,e,f) 3(vii)(a)
Aarti Pharmachem Limited	Subsidiary	3(xvii)
Ganesh Polychem Limited	Joint Venture	3(ii)(b), 3(xiv)(b)

Reporting under Clause (xxi) of the Order is not applicable in respect of Aarti USA Inc., the foreign subsidiary, as it is not a company incorporated in India under the Act.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

For Gokhale & Sathe,
Chartered Accountants
FRN: 103264W

Uday Girjapure
Partner
Membership No.: 161776
UDIN: 26161776KDEHVC2275

Place: Mumbai
Date: 25th May 2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Pharmalabs Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION (3) OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE "ACT")

We have audited the internal financial controls with reference to consolidated financial statements of Aarti Pharmalabs Limited (hereinafter referred to as "the Holding Company") and its subsidiary and joint venture incorporated in India (together referred to as "the Group" for this purpose) as of 31st March 2026 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

OPINION

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary and joint venture, which are the companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements, and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March 2026, based on the criteria for internal financial control with reference to financial statements established by the respective companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Management and Board of Directors of the Holding Company, its subsidiary and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria for internal financial control with reference to financial statements established by the respective companies, 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Group's internal financial controls with reference to consolidated financial statements 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary and joint venture incorporated in India in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the respective companies; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements, insofar as it relates to one subsidiary and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Reporting under Section 143(3)(i) of the Act is not applicable in respect of the foreign subsidiary, which is not a company incorporated in India.

Our opinion is not modified in respect of these matters.

For Gokhale & Sathe,
Chartered Accountants
FRN: 103264W

Uday Girjapure
Partner
Membership No.: 161776
UDIN: 26161776KDEHVC2275

Place: Mumbai
Date: 25th May 2026

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2026

(₹ in Lakhs)

Particulars	Notes	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	1,33,591.82	1,08,868.72
(b) Capital Work-in-Progress	4	30,521.09	30,658.18
(c) Right to use Assets	4	6,553.43	1543.28
(d) Goodwill		-	178.06
(e) Other Intangible Assets	4	3,601.37	3,066.82
(f) Intangible Assets Under Development	4	8,787.35	6,777.13
(g) Financial Assets			
(i) Investments	5.1	19,384.77	2,924.05
(ii) Loan	6.1	777.54	730.13
(iii) Other Financial Assets	7.1	3,542.75	1,402.76
(h) Other Non-Current Assets	8.1	1,681.30	2,274.67
Total Non-Current Assets (I)		**2,08,441.41**	**1,58,423.79**
2 Current Assets			
(a) Inventories	9	64,030.77	58,757.94
(b) Financial Assets			
(i) Investments	5.2	-	4,756.01
(ii) Trade Receivables	10	58,332.44	57,540.47
(iii) Cash and Cash Equivalents	11	853.03	673.37
(iv) Bank Balances Other than Cash & Cash Equivalents	12	108.56	191.19
(v) Loans	6.2	49.57	101.44
(vi) Other Financial Assets	7.2	-	116.43
(c) Current Tax Assets (Net)	13	993.52	-
(d) Other Current Assets	8.2	15,361.29	9,682.29
Total Current Assets (II)		**1,39,729.19**	**1,31,819.15**
TOTAL ASSETS (I+II)		**3,48,170.59**	**2,90,242.95**
EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	14	4,532.89	4,531.73
(b) Other Equity	15	2,07,927.58	1,94,458.91
Total Equity (I)		**2,12,460.47**	**1,98,990.64**
2 LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16.1	18,581.14	10,355.56
(ii) Lease Liabilities	17.1	5,217.60	1,166.89
(b) Provisions	18.1	785.18	811.78
(c) Deferred Tax Liabilities (Net)	19	13,433.20	12,840.41
(d) Other Financial Liabilities	20	3,935.98	770.27
Total Non-Current Liabilities (II)		**41,953.10**	**25,944.92**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16.2	49,982.30	29,279.67
(ii) Lease Liabilities	17.2	1,655.09	509.40
(iii) Trade Payables Due to	21		
- Micro and Small Enterprises		116.72	1,152.06
- Other Than Micro and Small Enterprises		33,337.21	26,630.98
(iv) Other Financial Liabilities	22	6,513.09	4,736.90
(b) Provisions	18.2	1,122.05	1,173.83
(c) Current Tax Liabilities (Net)		-	114.49
(d) Other Current Liabilities	23	1,030.54	1,710.07
Total Current Liabilities (III)		**93,757.01**	**65,307.38**
Total Liabilities (II+III)		**1,35,710.12**	**91,252.31**
TOTAL EQUITY AND LIBILITIES (I+II+III)		**3,48,170.59**	**2,90,242.95**

The accompanying notes are an integral part of the Ind AS financial statements

Previous year figures have been regrouped and rearranged wherever necessary

Notes forming part of the financial statements [Note No. 1-44]

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

Place: Mumbai
Date: 25th May, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2026

(₹ in Lakhs except EPS)

Particulars		Notes	For the year ended 31st March, 2026	For the year ended 31st March, 2025
1	**Income**			
	(a) Revenue from Operations	24	1,81,944.25	2,11,507.45
	(b) Other Income	25	974.64	842.59
	Total Income (a+b)		**1,82,918.89**	**2,12,350.04**
2	**Expenses**			
	(a) Cost of Materials Consumed	26	83,006.36	83579.79
	(b) Purchase of Stock In trade	27	5,594.87	17663.46
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	(5,117.99)	6,422.04
	(d) Employee Benefits Expense	29	17,309.31	16,195.95
	(e) Finance Costs	30	4,690.28	2,689.64
	(f) Depreciation / Amortisation Expenses	31	10,433.51	8,690.40
	(g) Foreign Exchange (Gain)/Loss		3,320.84	(169.33)
	(h) Other Expenses	32	40,909.93	41,209.13
	Total Expenses (a to h)		**1,60,147.11**	**1,76,281.08**
3	**Profit before share of profit/ (loss} of joint ventures, exceptional items and taxTax (1-2)**		**22,771.78**	**36,068.95**
4	Share of profit/(loss) of joint ventures		799.83	-
5	**Profit before exceptional items and tax (3+4)**		**23,571.61**	**36,068.95**
6	Exceptional Items gain/(Loss)		(279.49)	-
7	**Profit before tax (5+6)**		**23,292.12**	**36,068.95**
8	**Tax Expenses**			
	(a) Current Tax		4,304.68	7,220.26
	(b) Earlier Year Tax		(88.06)	(469.52)
	(c) Deferred Tax		1,604.77	2,077.74
	Total Tax Expenses (a to c)		**5821.39**	**8,828.47**
9	**Profit for the year (7-8)**		**17470.73**	**27,240.48**
10	**Other comprehensive income / (loss)**			
	(a) Items that will be reclassified to Statement of Profit and Loss			
	- MTM of forward contracts (Net of Tax)		(302.10)	(659.11)
	- Foreign Currency Translation Reserve		(127.20)	(142.31)
	(b) Items that will not be reclassified to Statement of Profit and Loss			
	- Fair Value Change of Equity Instruments through Other Comprehensive Income (Net of Tax)		(69.21)	(79.90)
	- Remeasurement of defined employee benefit plans (net of tax)		(125.39)	(94.41)
	Other comprehensive income / (loss) for the year, net of tax		**(623.90)**	**(975.73)**
11	**Total comprehensive income for the year, net of tax (9+10)**		**16,846.84**	**26,264.75**
12	**Earnings per share of ₹ 5 each - in ₹**	33		
	Basic		19.27	30.06
	Diluted		19.25	30.04

The accompanying notes are an integral part of the Ind AS financial statements
Previous year figures have been regrouped and rearranged wherever necessary
Notes forming part of the financial statements [Note No. 1-44]

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

Place: Mumbai
Date: 25th May, 2026

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2026

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Tax	22,771.78	36,068.95
	Adjusted for:		
	- Finance Costs	4,690.28	2,689.64
	- Depreciation and amortisation expense	10,433.51	8,690.40
	- Dividend Income	-	(5.07)
	- Employee Performance Stock Option Plan Cost	247.60	193.45
	- Other Exceptional Items (New Labour impact)	279.49	-
	- Foreign exchange (gain) / loss (net)	3,320.84	(169.33)
	- Write back of old balance	(760.58)	-
	- Foregin Subsidiary Translation	(127.20)	(142.31)
	- R&D Project Expensed Out	714.44	1,353.00
	- Provision for Bad and Doubtful Debts	225.40	128.14
	- Interest Received	(213.90)	(709.61)
	Operating Profit before Working Capital Changes	**41,581.67**	**48,097.25**
	Adjusted for:		
	- (Increase)/Decrease in Trade and Other Receivables	(9,927.65)	(8,188.06)
	- (Increase)/Decrease in Inventories	(8,056.45)	5,527.90
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	7,024.59	(5,691.25)
	Working Capital Changes	**(10,959.51)**	**(8,351.41)**
	Movements in operating non current Assets	263.67	(279.24)
	Cash Generated from Operations	**30,885.83**	**39,466.60**
	Taxes Paid (Net)	(4,692.68)	(6,452.66)
	Net Cash Flow from Operating Activities (A)	**26,193.15**	**33,013.94**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of property, plant and equipment (including capital work-in-progress)	(40,936.68)	(40,203.75)
	Intangible Assets (Including Intangible Assets under development)	(3,894.65)	(4,184.09)
	Proceeds from sale of current investments	1,251.20	2,283.39
	Movements in capex advance and capex creditors	294.53	142.24
	Dividend Received	-	5.07
	Interest Received	213.90	709.61
	Net Cash Flow used in Investing Activities (B)	**(43,071.71)**	**(41,247.54)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	10,641.72	10,000.00
	(Repayment)/Proceeds from working capital facilities (net)	15,782.86	2,786.08
	Finance Cost Paid	(3,873.45)	(2,451.15)
	Dividends Paid	(3,625.90)	(3,171.91)
	Repayment towards lease liabilities	(1,868.16)	(619.95)
	Proceed from issue of Equity Share under PSOP Scheme	1.16	0.43
	Net Cash Flow from /(used in) Financing Activities (C)	**17,058.22**	**6,543.49**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**179.66**	**(1,690.12)**
	Opening Balance of Cash and Cash Equivalents	**673.37**	**2,363.49**
	Closing Balance of Cash and Cash Equivalents	**853.03**	**673.37**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2026

Notes:

1 The above statement of Cash Flows should be read in conjunction with the accompanying notes.

2 Previous year figures have been regrouped and rearranged wherever necessary

3 Figures in brackets indicate cash outgo.

4 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS 7 "Statement of Cash Flows"

5 Cash flows from operating activities include ₹ 565.20 Lakhs (31st March, 2025: ₹ 486.23 Lakhs) being expenses towards Corporate Social Responsibility initiatives.

6 **Cash and Cash Equivalents comprises of:**

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
a. Cash on Hand	12.26	13.87
b. Balances with Banks	840.78	659.50
Total	**853.04**	**673.37**

7 **Changes in liabities arising from financing activities**

(₹ in Lakhs)

Particulars	As at 31st March, 2025	Net Cash Flow	Foreign Exchange movement	Accrued Interest/ Addition	Current maturities of Long-Term Loan	Other Changes	As at 31st March, 2026
Non-current Financial Liabilities							
- Borrowings (Non Current) (Note No. 16.1)	10,355.56	10,641.72	1,871.80		(4,287.95)	-	18,581.14
- Lease Liabilities (Note No. 17.1)	1,166.89			6,534.76		(2,484.05)	5,217.60
Current Financial Liabilities							
- Current Borrowing (Note No. 16.2)	29,279.67	15,633.14	781.54		4,287.95		49,982.30
- Lease Liabilities (Note No. 17.2)	509.40	(1,868.16)		529.80		2,484.05	1,655.09
Total	**41,311.52**	**24,406.70**	**2,653.34**	**7,064.57**	**0.00**	**-**	**75,436.13**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2026

(₹ in Lakhs)

Particulars	As at 31st March, 2024	Net Cash Flow	Foreign Exchange movement	Accrued Interest/ Addition	Current maturities of Long-Term Loan	Other Changes	As at 31st March, 2025
Non-current Financial Liabilities							
- Borrowings (Non Current) (Note No. 16.1)	3.88	10,000.00	355.56	-	-	(3.88)	10,355.56
- Lease Liabilities (Note No. 17.1)	1,665.91			25.93		(524.95)	1,166.89
Current Financial Liabilities							
- Current Borrowing (Note No. 16.2)	26,406.47	2,786.08	83.24	-		3.88	29,279.67
- Lease Liabilities (Note No. 17.2)	449.14	(619.95)	-	155.25	-	524.95	509.40
Total	**28,525.40**	**12,166.13**	**438.80**	**181.18**	**-**	**-**	**41,311.52**

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

Place: Mumbai
Date: 25th May, 2026

A. EQUITY SHARE CAPITAL

Current Reporting Period

(₹ in Lakhs)

Particulars	Balance as on 1st April, 2025	Changes in equity share capital during the period	Balance as on 31st March, 2026
Ordinary Equity Shares	4,531.73	1.16	4,532.89
Total	**4,531.73**	**1.16**	**4,532.89**

Previous Reporting Period

(₹ in Lakhs)

Particulars	Balance as on 1st April, 2024	Changes in equity share capital during the period	Balance as on 31st March, 2025
Ordinary Equity Shares	4,531.30	0.43	4,531.73
Total	**4,531.30**	**0.43**	**4,531.73**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Retained Earnings	General Reserve	Securities premium	Capital Reserve	Capital Redemption Reserve	Employee Stock Option Plan	Foreign Currency Translation Reserve	Other Comprehensive Income - Equity Instruments	Other Comprehensive Income - Cash Flow Hedge	Total
Balance as on 1st April, 2024	**1,08,576.68**	**8,765.28**	**44,032.54**	**8,943.81**	**25.00**	**22.84**	**(333.16)**	**1,079.12**	**60.51**	**1,71,172.62**
Transfer to General reserve	(218.25)	218.25								-
Other comprehensive income (net of tax)								(598.60)		(598.60)
Transferred from OCI Reserve on disposal of FVOCI Equity	46.46							(46.46)		-
Profit for the year	27,240.46									27,240.46
Transfer to Security reserve			43.24			(43.24)				-
Employee Stock Option Plan						193.45				193.45
Remeasurement of defined employee benefit plans (net of tax)	(142.31)									(142.31)
Dividend paid	(3,171.91)									(3,171.91)
Movement in during the year (net of tax)									(154.92)	(154.92)
Foreign Exchange Differnce on Translation							(79.90)			(79.90)
Balance as at 31st March, 2025	**1,32,331.14**	**8,983.53**	**44,075.78**	**8,943.81**	**25.00**	**173.05**	**(413.06)**	**434.06**	**(94.41)**	**194,458.90**

(₹ in Lakhs)

Particulars	Retained Earnings	General Reserve	Securities premium	Capital Reserve	Capital Redemption Reserve	Employee Stock Option Plan	Foreign Currency Translation Reserve	Other Comprehensive Income - Equity Instruments	Other Comprehensive Income - Cash Flow Hedge	Total
Adjustment on account of change in control	9,809.32	(795.97)		(8,943.81)				(69.41)		0.13
Other comprehensive income (net of tax)								(69.21)		(69.21)
Transferred from OCI Reserve on disposal of FVOCI Equity	4.65							(4.65)		-
Profit for the year	17,470.74									17,470.74
Employee Stock Option Plan						247.60				247.60
Transfer to Security reserve			116.08			(116.08)				-
Remeasurement of defined employee benefit plans (net of tax)	(125.39)									(125.39)
Dividend paid	(3,625.90)									(3,625.90)
Movement in during the year (net of tax)									(302.10)	(302.10)
Foreign Exchange Differnce on Translation							(127.20)			(127.20)
Balance as at 31st March, 2026	**1,55,864.56**	**8,187.56**	**44,191.86**	**-**	**25.00**	**304.57**	**(540.25)**	**290.79**	**(396.51)**	**207,927.58**

Notes

1 The above Statement of Changes in Equity be read in conjunction with the accompanying notes

2 Previous Year's figures are regrouped / rearranged wherever required.

C. Notes forming part of the financial statements [Note No. 1-44]

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

Place: Mumbai
Date: 25th May, 2026

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 CORPORATE INFORMATION

The Consolidated financial statements comprise financial statements of AARTI PHARMALABS LIMITED ("APL" or "the Group") (CIN L24100GJ2019PLC110964) for the year ended 31st March, 2026. The Group is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 2013 Its shares are listed on the National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange ('BSE')

The registered office of the Group is located at Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195.

The Group is engaged in the manufacture of Active Pharmaceutical Ingredients (API), pharmaceutical intermediates and xanthine derivatives in India.

Details of Subsidiaries

Name of Subsidiary and joint venture	Country of Incorporation	Proportion of Ownership Interest
Indian Subsidiary:		
- Aarti Pharmachem Limited	India	100
Foreign Subsidiary:		
- Aarti USA Inc.	USA	100
Joint Ventures		
- Ganesh Polychem Limited	India	50

2 STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND CONSOLIDATION

2.1 Basis of Compliance

The Group's consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment.

These Consolidated financial statements have been approved by the Board of Directors at their meeting held on 25th May, 2026.

2.2 Basis of Preparation and Presentation of Financials Statements

The Consolidated Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS and in accordance with guidelines issued by the Securities and Exchange Board of India ("SEBI").

i. Certain financial instruments measured at fair value (refer accounting policy regarding financial instruments); and

ii. Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle. Based on the status of realisability and expected settlement in cash and cash equivalents of the respective assets and liabilities and other criteria set out in the Schedule III to the Companies Act 2013, the Group has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

PRINCIPLES OF CONSOLIDATION:

(a) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company, Its Subsidiary & Joint venture drawn up to the same reporting date i.e 31st March, 2026.

(b) Subsidiary Companies are all the entities over which the Group has control. Subsidiary companies are consolidated on the date on

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

which control is transferred to the Group. The Group re assesses whether or not it controls an investee if facts and circumstances indicate that there are one or more changes to elements of control described above.

(c) In case of Foreign Subsidiary revenue items are consolidated at the average rate prevailing during the period. All Assets (except Fixed Assets) and liabilities are converted at the rates prevailing at the end of the year. In case of Fixed Assets, the same is consolidated at the rate applicable in the year of acquisition of the said assets. Any exchange difference arising on consolidation is recognised as Translation difference in Reserves & Surplus.

(d) **Process of Consolidation**

(i) Combine like items of assets, liabilities, other equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Joint arrangements - The Group classifies a joint arrangement as either a joint operation or a joint venture depending on its rights and obligations under the arrangement. Where the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement, it is a joint operation and the Group recognises its share of the assets, liabilities, revenue and expenses. Where the Group has rights only to the net assets of the arrangement, it is a joint venture and is accounted for using the equity method in accordance with Ind AS 28. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the Group's share of post-acquisition profit or loss and other comprehensive income, with dividends received reducing the carrying amount. The classification is reassessed if facts and circumstances change. Ind AS 111 does not specify the accounting where a change in the contractual arrangement results in a joint operation being reclassified as a joint venture. Applying Ind AS 8, the Group has adopted a policy of not remeasuring its previously held interest, having regard to the principle in Ind AS 111 that previously held interests in a joint operation are not remeasured, and to the requirement, on a change from proportionate consolidation to the equity method, that the investment be measured at the aggregate of the carrying amounts of the assets and liabilities previously recognised. Accordingly the investment in the joint venture is recognised at that aggregate carrying amount, which is treated as its deemed cost on initial recognition, and no gain or loss arises on the change in classification.

(e) Non-Controlling Interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance sheet separately. Both subsidiaries of the Parent Company are wholly owned and accordingly there are no non-controlling interests as at the reporting date or in the comparative period.

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(f) As far as possible the consolidated financial statements have been prepared using uniform Accounting Policies for like transactions and other events in similar circumstances. Differences in Accounting Policies if any will be disclosed separately.

2.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented along with the accompanying disclosures.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The following are the critical estimates, assumptions and judgments that the management has made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognised in the financial statements. Reclassification of the interest in Ganesh Polychem Limited: Following the Addendum to the Subscription and Shareholders' Agreement, the Group reassessed its interest in Ganesh Polychem Limited and concluded that the arrangement, previously a joint operation in which the Group recognised its share of assets, liabilities, income and expenses, is a joint venture with effect from 1st April 2025. Ind AS 111 does not prescribe the accounting for such a reclassification. Management has judged that the previously held interest should not be remeasured and has recognised the investment at the aggregate carrying amount of the net assets previously recognised as its deemed cost. Had the interest been remeasured to fair value, a gain or loss would have arisen on the reclassification.

(i) Provision for Income Tax and Deferred Tax Assets:

The Group uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

(ii) Useful Lives of Property, Plant and Equipment ("PPE"):

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(iii) Defined Benefit Plans (Gratuity):

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to Employee Turnover, the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(iv) Provisions and Contingent Liabilities:

The Group estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Group uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

(v) Provision against Obsolete and Slow-Moving Inventories:

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use at each balance sheet date. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions.

(vi) Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

(vii) Allowance for Credit Losses on Receivables

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group Considers current and anticipated future economic conditions relating to industries the Group deals with and the countries where it Markets its Products.

(viii) Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by other available fair value indicators.

(ix) Leases:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Group uses significant judgment in assessing the lease term and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group's makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to the lease period relating to the existing lease contracts.

3 MATERIAL ACCOUNTING POLICIES

3.1 Classification of Current versus Non-Current:

All assets and liabilities in the financial statements have been classified as current or non-current as per the Group's normal operating cycle of up to twelve months.

For the purpose of Balance Sheet, an asset is classified as current if:

(i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is expected to realise the asset within twelve months after the reporting period; or

(iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

(i) It is expected to be settled in the normal operating cycle; or

(ii) It is held primarily for the purpose of trading; or

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification

All other liabilities are classified as non-current.

3.2 Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and accumulated impairment losses, if any Cost includes professional fees related to the Period acquisition of PPE and for qualifying assets, borrowing costs is capitalised in accordance with the Group's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss during the period in which they were incurred.

Long term lease arrangements of land are treated as PPE, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains or losses arising from de-recognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation methods, estimated useful lives and residual value:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. The depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted for on a prospective basis. Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ up to the date on which asset is ready for use/ disposed of.

The Group uses different useful lives than those prescribed in Schedule II to the Act for some of the assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

The Group has used the following useful lives to provide depreciation on the following assets:

PARTICULARS	DEPRECIATION
Leasehold Land	Over the tenure of lease
Factory Building	Over a period of 19-30 years
Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 9-19 years
Vehicle	Over a period of 5 - 7 years
Computers	Over a period of 3 years
Furniture and Fixtures	Over a period of 10 years
Office Equipment	Over a period of 5 years
Intangible Assets	Over a period of 5- 7 years, except for those where the finite period is provided.

3.3 Capital Work-in-Progress

Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. The same is carried at cost, comprising of direct costs, related incidental expenses and attributable borrowing costs. Project expenses pending allocation are apportioned to the PPE of the project proportionately on capitalisation.

3.4 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets restated at original cost net of tax/duty credits availed,if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation:

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as change in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of other assets.

Intangible Assets without finite life are tested for impairment at each Balance sheet date and impairment provision, if any are debited to profit and loss.

The estimated useful lives of the amortisable intangible assets are as follows:

PARTICULARS	DEPRECIATION
Intangible Assets – R&D	Over a period of 5 years
Computer software	Over a period of 5 years

3.6 Impairment of Non-Financial Assets:

The Group assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for such an asset is required, the Group estimates the asset's recoverable amount in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount which is higher of asset's (or cash generating unit's) net selling price or the value in use. The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset (or cash generating unit) and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset (or cash generating units).

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit). A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.7 Inventories:

Inventories are valued, after providing for obsolescence as given below:

Raw Materials, Packing Materials and Stores and Spares:

(i) Raw Materials, Packing Materials and Stores and Spares:

Raw materials, packing materials and stores and spares are valued at lower of Cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average Basis.

(ii) Work-in-process:

Work-in-process is valued at the lower of cost and net realisable value. The cost is computed on the Weighted Average Basis.

(iii) Finished Goods, Semi-Finished Goods and Traded Goods:

Finished goods, Semi-finished goods and traded goods are valued at lower cost and net realisable value. The cost is computed on the Weighted Average Basis.

Cost is determined on a basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit), cost of conversion and other costs incurred in acquiring the inventories to their present location and condition.

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

3.8 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity of three months or less.

3.9 Employee Benefits:

(i) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

(ii) Post-employment benefits:

(a) Defined Contribution Plan:

The Group makes defined contributions to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and Superannuation Schemes. The contribution paid/ payable under these schemes is recognised during the period in which the employee renders the related service which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

(b) Defined Benefit Plan

The gratuity liability of the Group is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Group's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Group recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. Past service cost arising from a plan amendment is recognised in the Statement of Profit and Loss in the period in which the amendment occurs.

(iii) Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, actuarial valuations being carried out at each Balance Sheet date. Remeasurements of the liability in respect of other long-term employee benefits are recognised in the Statement of Profit and Loss in the period in which they arise and are not recognised in other comprehensive income.

(iv) Employee Stock Option Plan:

The Group recognises compensation expenses relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding accounts. The fair value at the grant date is determined using the Black-Scholes option pricing model, having regard to the terms and conditions upon which the options were granted. The cumulative expense recognised at each reporting date reflects the extent to which the vesting period

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

has expired and the best estimate of the number of options that will ultimately vest; no expense is recognised for options that do not ultimately vest because a service condition has not been met. The corresponding credit is taken to the Employee Stock Option Plan reserve within other equity. The plan is equity-settled and there are no cash-settled share-based payment arrangements.

3.10 Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

The Group recognises a provision when it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reasonably estimated. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

(ii) Contingent Liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(iii) Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(iv) Onerous Contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognises impairment on the assets with the contract.

3.11 Taxes:

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity respectively.

(i) Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

The Group periodically evaluates positions taken in the tax returns with respect to Where applicable tax regulations are subject to interpretation and recognises provisions, where appropriate.

Current tax assets and current tax liabilities are set-off when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded in other comprehensive income or in equity along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.12 Revenue Recognition:

(i) Revenue from Operations:

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a fivestep model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

(ii) Sale of Goods:

The Group recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Delivered-Incoterms revenue deferral & goods-in-transit

For sales under 'delivered' Incoterms (e.g. DAP, DDP), control transfers on delivery at the agreed destination. Where such goods are in transit at the reporting date, the performance obligation is not yet satisfied, revenue is deferred (recognised as a contract liability) and the goods are carried in inventories as finished goods-in-transit at cost until control passes on delivery

(iii) Sale of Services:

Revenue from services is recognised when the performance obligation is met and the right to receive income is established.

(iv) Interest Income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension and similar options) but does not consider the

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

expected credit losses. Interest income is included in other income in the statement of profit and loss.

(v) Dividend Income:

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(vi) Export Incentives:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

(vii) Other Income:

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

3.13 Leases:

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

(i) As a Lessee:

The Group assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

(a) control the use of an identified asset,

(b) obtain substantially all the economic benefits from use of the identified asset, and

(c) direct the use of the identified asset

The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

The Group at the commencement of the lease contract recognises a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with terms of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Right-of-Use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The estimated useful lives of Right-of-Use assets are determined on the same basis as those of property, plant and equipment. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For lease liabilities at the commencement of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprises fixed payments, including amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option. The lease liability is subsequently measured at amortised cost using the effective interest method.

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Finance charges are recognised as finance costs in the statement of profit and loss.

(ii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (range different for different classes of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straightline basis over the lease term.

3.14 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes Bank Charges, exchange differences to the extent regarded as an adjustment to the borrowing costs.

In determining the amount of borrowing costs eligible for capitalisation, any income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.15 Foreign Currency Transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.16 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the Reporing period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.17 Exceptional items:

When items of income or expense within the statement of profit & loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such material items are disclosed separately as exceptional items.

3.18 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity. The Group determines the classification of its financial assets and liabilities at initial recognition.

(a) Initial Recognition:

Financial assets and/or financial liabilities are recognised when the Group becomes party to a contract embodying the related financial instruments. All financial assets, financial

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the transaction values, at fair values. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from as the case may be, from the fair value of on initial recognition.

(b) Classification and Subsequent Measurement of Financial Assets:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

(i) Financial Assets measured at Amortised Cost:

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

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

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

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

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

(c) Classification and Subsequent Measurement of Financial Liabilities:

(i) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

(ii) Other Financial liabilities:

Other financial liabilities (including loans and borrowings, bank overdraft and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

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

(d) Debt and Equity Instruments:

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

(e) Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

(f) Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. In these consolidated financial statements investments in joint ventures are accounted for using the equity method as set out under joint arrangements above; the policy stated in this paragraph applies to the separate financial statements of the Parent Company.

(g) De-recognition of Financial Instruments:

The Group derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract 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 derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(g) Impairment of Financial Assets:

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair valued through profit and loss (FVTPL). For Trade Receivables and all lease receivables resulting from transactions within the scope of Ind AS 116 the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss.

CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 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.

(h) Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(i) Cash Flow hedges

The Group defines the risk management objective and strategy for undertaking the hedge. The Group also defines the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US $. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (₹).

The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions. The Group risk management policy is to hedge forecasted foreign currency net sales for the subsequent 12 to 36 months. As per the risk management policy, appropriate foreign currency hedges are executed or undertaken to hedge forecasted net sales.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to the statement of profit and loss.

Where a derivative is not designated as a hedge, or where hedge effectiveness cannot be reliably established, it is measured at fair value through profit or loss. Forward contracts are valued using observable forward exchange rates discounted at MIFOR (Level 2); the target-redemption forward is valued using a simulation-based option-pricing model that reflects its path-dependent strike, knock-in barrier and target-redemption features, and is classified within Level 3 of the fair-value hierarchy.

4 PROPERTY, PLANT AND EQUIPMENT (FY 2025-26)

(₹ in Lakhs)

Particulars		GROSS BLOCK					DEPRECIATION					NET BLOCK	
		Balance as at 1st April, 2025	Reclassif-ication of the joint venture	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2026	Balance as at 1st April, 2025	Reclassif-ication of the joint venture	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st March, 2026	Balance as at 31st March, 2026	Balance as at 31st March, 2025
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	3,858.72				3,858.72	-	-	-		-	3,858.72	3,858.72
	Leasehold Land	4,555.88	660.53	295.12		4,190.47	336.90	87.38	37.96		287.48	3,902.99	4,218.98
	Buildings	18,476.68	582.97	10,470.58		28,364.29	6,111.82	45.83	999.04		7,065.03	21,299.26	12,364.86
	Plant and Machinery	1,39,024.78	12,222.50	28,833.62		1,55,635.90	51,895.14	5,997.88	6,806.24		52,703.51	1,02,932.39	87,129.64
	Furniture and Fixtures	956.67	63.75	190.49		1,083.41	492.95	8.91	77.93		561.97	521.43	463.72
	Office Equipments	226.15	3.40	10.57		233.32	194.97	0.92	15.48		209.53	23.79	31.18
	Computers, Printers	865.75	2.57	418.85		1,282.03	685.84	38.90	107.42		754.36	527.67	179.91
	Vehicles	1,109.45	353.29	198.15	22.32	931.99	487.72	190.57	112.04	2.75	406.44	525.56	621.73
	Total	**1,69,074.08**	**13,889.01**	**40,417.38**	**22.32**	**1,95,580.13**	**60,205.36**	**6,370.40**	**8,156.11**	**2.75**	**61,988.32**	**1,33,591.82**	**1,08,868.72**
II	**Right to Use Assets**												
	Leasehold Factory Building	2,809.42	108.38	6,651.70	220.62	9,132.12	1,266.15	95.48	1,562.68	154.65	2,578.69	6,553.43	1,543.28
	Total	**2,809.42**	**108.38**	**6,651.70**	**220.62**	**9,132.12**	**1,266.15**	**95.48**	**1,562.68**	**154.65**	**2,578.69**	**6,553.43**	**1,543.28**
III	**InTangible Assets**												
	IT software & Other Intangible Assets	3,840.89	11.49	90.65		3,920.05	3,798.77	0.11	18.00		3,816.66	103.39	42.11
	R& D Products Asset	3,663.22		1,170.00		4,833.22	638.51		696.73		1,335.24	3,497.98	3,024.71
	Total	**7,504.10**	**11.49**	**1,260.65**	**-**	**8,753.27**	**4,437.28**	**0.11**	**714.73**	**-**	**5,151.90**	**3,601.37**	**3,066.82**
IV	**Gross Total**	**1,79,387.60**	**14,008.88**	**48,329.73**	**242.94**	**2,13,465.52**	**65,908.79**	**6,465.88**	**10,433.51**	**157.40**	**69,719.03**	**143,746.61**	**1,13,478.82**
V	**Capital Work-in-Progress**											**30,521.09**	**30,658.18**
VI	**Capital Work-in-Progress-Intangible**											**8,787.35**	**6,777.13**

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March, 2026 is ₹ 494.17 Lakhs (31st March, 2025: ₹ 554.93 Lakhs)

Property, Plant and Equipment (FY 2024-25)

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2024	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2025	Balance as at 1st April, 2024	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st March, 2025	Balance as at 31st March, 2025	Balance as at 31st March, 2024
1 Property, Plant and Equipment										
I Tangible Assets										
Freehold Land	3,858.72			3,858.72	-	-		-	3,858.72	3,858.72
Leasehold Land	3,935.12	653.14	32.38	4,555.88	297.18	42.02	2.30	336.90	4,218.98	3,637.94
Buildings	16,680.55	2,017.70	221.58	18,476.67	5,451.99	811.14	151.31	6,111.82	12,364.84	11,228.55
Plant and Machinery	1,25,191.91	14,151.25	318.38	1,39,024.78	45,523.34	6,497.13	125.33	51,895.14	87,129.64	79,668.57
Furniture and Fixtures	819.19	137.48	-	956.67	428.00	64.95	-	492.95	463.72	391.19
Office Equipments	222.52	3.63	-	226.15	175.11	19.86	-	194.97	31.18	47.41
Computers, Printers	709.05	158.08	1.38	865.75	607.59	79.63	1.38	685.84	179.90	101.45
Vehicles	947.43	262.51	100.48	1,109.46	459.28	125.82	97.38	487.72	621.74	488.15
Total	**1,52,364.49**	**17,383.79**	**674.20**	**1,69,074.08**	**52,942.51**	**7,640.55**	**377.70**	**60,205.36**	**1,08,868.72**	**99,421.98**
II Right to Use Assets										
Leasehold Factory Building	2,789.50	19.92	-	2,809.42	742.33	523.82	-	1,266.15	1,543.27	2,047.17
Total	**2,789.50**	**19.92**	**-**	**2,809.42**	**742.33**	**523.82**	**-**	**1,266.15**	**1,543.27**	**2,047.17**
III InTangible Assets										
IT software & Other Intangible Assets	3,829.40	11.49	-	3,840.89	3,789.20	9.57	-	3,798.77	42.11	40.19
R& D Products Asset	1,767.29	1,895.93	-	3,663.22	122.04	516.47	-	638.51	3,024.70	1,645.24
Total	**5,596.68**	**1,907.42**	**-**	**7,504.10**	**3,911.24**	**526.04**	**-**	**4,437.28**	**3,066.82**	**1,685.44**
IV Gross Total	**1,60,750.67**	**19,311.13**	**674.20**	**1,79,387.60**	**57,596.08**	**8,690.41**	**377.70**	**65,908.79**	**1,13,478.81**	**1,03,154.59**
V Capital Work-in-Progress									**30,658.18**	**7,849.71**
VI Capital Work-in-Progress- Intangible									**6,777.13**	**5,841.96**

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March, 2025 is ₹ 554.93 Lakhs (31st March, 2024: Nil)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTES -

a. Movement in capital work in progress

(₹ in Lakhs)

Particulars	CWIP		Total
	Tangible	Intangible	
Opening balance as on 1st April, 2024	**7,849.71**	**5,841.96**	**13,691.67**
Add - Additions during the year	40,203.75	4,184.10	44,387.85
Less - Impaired during the year	-	(1,353.00)	(1,353.00)
Less - Capitalised during the year	(17,395.28)	(1,895.93)	(19,291.21)
Closing balance as on 31st March, 2025	**30,658.18**	**6,777.13**	**37,435.31**
Add - Additions during the year	40,280.29	3,985.31	44,265.60
Less - Impaired during the year	-	(714.44)	(714.44)
Less - Capitalised during the year	(40,417.38)	(1,260.65)	(41,678.03)
Closing balance as on 31st March, 2026	**30,521.09**	**8,787.35**	**39,308.43**

b. Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st March, 2026 is as follows:

(₹ in Lakhs)

Tangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	24,366.42	5,222.11	786.06	146.50	30,521.09
Projects temporarily suspended	-	-	-	-	-
	24,366.42	**5,222.11**	**786.06**	**146.50**	**30,521.09**

Ageing for Capital Work-in-Progress as at 31st March, 2025 is as follows:

(₹ in Lakhs)

Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	27,149.24	2,037.57	947.58	523.79	30,658.18
Projects temporarily suspended	-	-	-	-	-
	27,149.24	**2,037.57**	**947.58**	**523.79**	**30,658.18**

Capital Work-in-Progress Ageing - Intangible

Ageing for Capital Work-in-Progress as at 31st March, 2026 is as follows:

(₹ in Lakhs)

Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,986.06	1,011.06	3,168.56	1,621.67	8,787.35
Projects temporarily suspended	-	-	-	-	-
	2,986.06	**1,011.06**	**3,168.56**	**1,621.67**	**8,787.35**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Ageing for Capital Work-in-Progress as at 31st March, 2025 is as follows:

(₹ in Lakhs)

Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,535.26	2,717.33	1,524.54	-	6,777.13
Projects temporarily suspended	-	-	-	-	-
	2,535.26	**2,717.33**	**1,524.54**	**0.00**	**6,777.13**

There are no projects under capital work in progress where the completion is overdue or has exceeded its cost compared to its original plan in previous year. In current year there are no projects which have exceeded its cost compared to its original plan.

c. Title deeds of Immovable Properties not held in the name of the Group

(₹ in Lakhs)

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying Value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Group
		As at 31st March, 2026	As at 31st March, 2025				
Land	Village -Atali, Tal-Vagra, Dist - Bharuch, Gujarat - 392130	3,858.72	3,858.72	Aarti Industries Limited	No	2,021	Properties were transferred from Aarti Industries Limited under Scheme of Demerger approved by the NCLT vide order dated 21st September 2022 w.e.f. 1st July 2021. The transfer of title deed in the name of the Group is pending with the Authorities for completion of some procedural part. The management is targeting completion of transfer of title in FY 26-27

5 INVESTMENTS

5.1 Other Investments (Non-current)

(₹ in Lakhs)

		As at 31st March, 2026	As at 31st March, 2025
I	Unquoted Investments -FVTOCI	2,084.83	2,009.86
II	Unquoted Investments in debentures - Measured at cost	261.63	-
III	Unquoted Investments Joint Venture- Measured as per Equity method	16,206.60	-
IV	Unquoted Investments - Measured at cost	266.03	348.48
V	Investment in Limited Liability Partnership - Measured at cost	565.70	565.72
Total		**19,384.77**	**2,924.06**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars		As at 31st March, 2026		As at 31st March, 2025	
		No of Share	Amount	No of Share	Amount
I	**Unquoted Investments -FVTOCI**				
	Dilesh Roadlines Private Limited	4,64,550	1,340.20	4,64,550	1,265.08
	Aarti Ventures Private Limited	4,54,364	738.33	4,54,364	738.48
	Pro-Zeal Green Energy Five Private Limited	63,000	6.30	63,000	6.30
II	**Unquoted Investments in debentures - Measured at cost**				
	- Investment in CCD	26,163	261.63	-	-
III	**Unquoted Investments - Measured as per Equity method**				
	- Investments in Joint Venture	30,98,257	16,206.60	-	-
II	**Unquoted Investments - Measured at cost**				
	Tarapur Environment Protection Society	47,274	61.97	47,274	61.97
	Derma Touch Inc.	NA	204.06	NA	286.51
III	**Investments in Limited Liability Partnership (Unquoted) -Measured at cost**				
	Aarti Udyog Limited Liability Partnership	NA	565.70	NA	565.72
Total			**19,384.77**		**2,924.06**

5.2 Investments (Current)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Quoted Investments		
Mutual Fund and Bonds	-	4,756.01
Total	**-**	**4,756.01**

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No of Share	Amount	No of Share	Amount
Investment in Bond's (Quoted)				
8.50% Bank of Baroda	-	-	100	997.96
8.35% Tata Motors Fin Ltd - P/C	-	-	3	285.28
9.55% Tata Motors Fin Ltd - P/C	-	-	10	102.85
9.10% Tata Motors Fin Ltd - P/C	-	-	20	201.68
Cholamandalam Investment & Finance company	-	-	50	262.50
CreditAccess Grameen Ltd	-	-	9,000	90.66
CreditAccess Grameen Ltd	-	-	15,000	184.08
Piramal Capital & Housing Finance Ltd	-	-	12,500	93.52
9.25% CREDIT ACCESS GRAMIN LTD 2026	-	-	12,500	125.99
Investment in Bond's (Unquoted)				
Avendus Finance Pvt Ltd	-	-	15	149.92
Avendus Finance Pvt Ltd	-	-	25	124.90

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No of Share	Amount	No of Share	Amount
Investment in ICD's (Quoted)				
Ambit Finvest Pvt ltd	-	-	150	162.38
Investment in ICD's (Unquoted)				
Phillip Finance & Investments Services India pvt ltd	-	-	22	72.00
Phillip Finance & Investments Services India pvt ltd	-	-	33	108.00
Investment in MLD's (Quoted)				
Spandana Sphoorty Financial Limited	-	-	150	18.76
Investment in NCD's (Quoted)				
Belstar Microfinance ltd				
Incred Financial Services Ltd	-	-	15,000	102.49
Incred Financial Services Ltd	-	-	15,000	102.49
Incred Financial Services Ltd	-	-	15,000	99.72
Mas Financial Services Ltd	-	-	100	100.00
UGRO Capital Ltd	-	-	15,000	149.01
9.41% 360 ONE PRIME LIMITED 2026	-	-	5,938	59.58
9.50% FIVE STAR BUSINESS LTD 2026	-	-	150	154.14
9.61% 360 ONE PRIME LIMITED 2027	-	-	11,875	118.84
Indostar Capital finance Ltd	-	-	250	250.25
IIFLFinance Ltd	-	-	12,500	122.46
Investment in NCD's (Unquoted)				
Agilmed investments Pvt Ltd	-	-	15	148.71
Zuari Agro Chemicals Ltd	-	-	10	100.67
Investment in Equity share (Quoted)				
PGINVIT	-	-	1,50,000	117.00
Investment measured at FVTPL				
Tata Equity Plus Absolute Returns Fund AIF - Cat III	-	-	15,019	150.19
Total Investment		**-**		**4,756.01**

6 LOAN

6.1 Non -Current (at amortised cost)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, Considered Good		
- Loan to Related Party (refer note 38)	777.54	730.13
Total	**777.54**	**730.13**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6.2 Current

(₹ in Lakhs)

	As at 31st March, 2026	As at 31st March, 2025
Unsecured, Considered Good		
- Loan to Employees	49.57	101.44
Total	**49.57**	**101.44**

Additional disclosure as per schedule III

(₹ in Lakhs)

Type of borrower	31st March, 2026	% of total Loans & Advances	31st March, 2025	% of total Loans & Advances
Promoters	-	0.0%	-	0.0%
Directors	-	0.0%	-	0.0%
KMPs	-	0.0%	-	0.0%
Related parties - Aarti Ventures Private Limited	777.54	100.00%	730.13	100.00%
Total	**777.54**	**100.00%**	**730.13**	**100.00%**

The loan to Aarti Ventures Private Limited is unsecured, carries interest at 9% per annum. There are no loans or advances in the nature of loans granted to promoters, directors or key managerial personnel, either severally or jointly with any other person.

7 OTHER FINANCIAL ASSETS

7.1 Non-current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, Considered Good		
- Security Deposits (refer note 38)	1,590.59	90.59
- Security Deposits - other	1,952.16	1,312.17
Total	**3,542.75**	**1,402.76**

7.2 Current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unsecured, Considered Good		
- Interest Receivable	-	111.42
- Insurance Receivable	397.57	402.57
Less - Provision for expected credit loss	(397.57)	(397.57)
Total	**-**	**116.43**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

8 OTHER ASSETS

8.1 Non-current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, unless otherwise stated)		
- Capital Advances	1,681.30	2,274.67
Total	**1,681.30**	**2,274.67**

8.2 Current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, unless otherwise stated)		
- Balance with Government Authorities	9,844.86	7,123.89
- Advances to Suppliers	4,342.45	1,502.35
- Prepaid Expenses	871.98	634.39
- Export Benefits Receivable	302.00	314.95
- Other Receivable	0.00	106.72
Total	**15,361.29**	**9,682.29**

9 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Raw Material,Fuel and Packing Material (including goods in transit)	24,716.17	22,214.49
- Work-in-progress	16,741.77	13,025.34
- Finished Goods	21,591.90	21,555.00
- Stock-in-trade	409.39	1,549.62
- Stores and spares	571.53	413.48
Total	**64,030.77**	**58,757.94**

9.1 Goods In transit

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Raw Material (In Transit Stock)	1,182.00	1,518.44
Total	**1,182.00**	**1,518.44**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

10 TRADE RECEIVABLES (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Receivables	58,731.70	57,821.17
Less - Impairment Allowance	(399.26)	(280.70)
Trade Receivables (Net)	**58,332.44**	**57,540.47**
Break up of Security Details		
(i) Unsecured, Considered good	58,332.44	57,540.47
(ii) Unsecured, Credit impaired (Impairment Provision)	399.26	280.70
	58,731.70	**57,821.17**
Less - Impairment Allowance	(399.26)	(280.70)
Total	**58,332.44**	**57,540.47**

a Due to the short nature of credit period given to customers, there is no financing component in the contract.

b The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Group follows the simplified approach for recognition of impairment allowance on trade receivables. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

c Trade receivables ageing schedule

as at 31st March, 2026

Particulars	Receivable but not due	Outstanding from due date of Payment					
		Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Undisputed - considered good	49,839.74	6,900.81	1,145.19	524.41	101.02	220.53	58,731.70
(ii) Undisputed - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed - credit impaired	-	-	-	-	-	-	-
Sub Total Trade Receivable	**49,839.74**	**6,900.81**	**1,145.19**	**524.41**	**101.02**	**220.53**	**58,731.70**
Less: Impairment Allowance							(399.26)
Total	**49,839.74**	**6,900.81**	**1,145.19**	**524.41**	**101.02**	**220.53**	**58,332.44**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at 31st March, 2025

Particulars	Receivable but not due	Outstanding from due date of Payment					
		Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Undisputed - considered good	42,272.91	14,739.33	214.39	143.24	199.27	252.03	57,821.17
(ii) Undisputed - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed - credit impaired	-	-	-	-	-	-	-
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed - credit impaired	-	-	-	-	-	-	-
Sub Total Trade Receivable	**42,272.91**	**14,739.33**	**214.39**	**143.24**	**199.27**	**252.03**	**57,821.17**
Less: Impairment Allowance							(280.70)
Total	**42,272.91**	**14,739.33**	**214.39**	**143.24**		**252.03**	**57,540.47**

Movement in expected credit loss allowance of trade receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	224.38	224.38
Allowances / (write back) during the year	128.14	128.14
Written off against past provision	(71.82)	(71.82)
Balance at the end of the year	**399.26**	**280.70**

11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Cash & Cash Equivalents		
- Cash on hand	12.26	13.87
- Balance with banks	840.78	659.50
Total	**853.04**	**673.37**

12 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Earmarked balances (Unpaid Dividend account)	71.62	34.92
- Fixed Deposits with Banks	36.94	156.27
Total	**108.56**	**191.19**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

13 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Advance Tax and Tax Deducted at Source (Net of Provision)	993.52	-
Total	**993.52**	**-**

14 SHARE CAPITAL:

A Authorised Share Capital

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Authorised Share Capital		
10,00,00,000 Equity Shares of ₹ 5/- each (PY - 10,00,00,000)	5,000.00	5,000.00
Total	**5,000.00**	**5,000.00**

B Issued, Subscribed & Paid Up:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
9,06,57,751/- Equity Shares of ₹ 5/- each (PY - 9,06,34,624)	4,532.89	4,531.73
Total	**4,532.89**	**4,531.73**

14.1 Reconciliation of number of Equity Shares outstanding:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
	No' Of Shares	No' Of Shares
Equity Shares at the beginning of the year	9,06,34,624	9,06,26,008
Add: Equity Shares	23,127	8,616
Equity Shares at the end of the year	**9,06,57,751**	**9,06,34,624**

14.2 Rights, preferences and restrictions attached to equity shares :

The Group has only one class of equity shares with voting rights having par value of ₹ 5 each and the holder of the equity share is entitled to one vote per share. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive the remaining assets of the Group in proportion to the number of equity shares held.

14.3 Details of shareholders holding more than 5% shares:

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025		% change During the period
	Number of Shares held	% of holding	Number of Shares held	% of holding	
Life Insurance Corporation Of India	47,82,452	5.28%	54,90,515	0.00%	5.28%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

14.4 Deatils of Shares held by promoters and promoter group

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025		% change During the period
	Number of Shares held	% of holding	Number of Shares held	% of holding	
Rashesh Chandrakant Gogri	38,34,404	4.23%	38,34,404	4.23%	0.0%
Jaya Chandrakant Gogri	32,04,310	3.53%	32,04,310	3.54%	0.0%
Mirik Rajendra Gogri	27,84,094	3.07%	27,93,094	3.08%	0.0%
Hetal Gogri Gala	28,15,612	3.11%	26,15,548	2.89%	0.2%
Renil Rajendra Gogri	25,42,750	2.80%	25,42,750	2.81%	0.0%
Sarla Shantilal Shah	24,35,830	2.69%	24,35,830	2.69%	0.0%
Rajendra Vallabhaji Gogri	14,25,900	1.57%	14,25,900	1.57%	0.0%
Nehal Garewal	11,22,487	1.24%	11,22,487	1.24%	0.0%
Nikhil Parimal Desai	6,81,754	0.75%	7,16,754	0.79%	0.0%
Aarnav Rashesh Gogri	5,50,000	0.61%	5,50,000	0.61%	0.0%
Aashay Rashesh Gogri	5,50,000	0.61%	5,50,000	0.61%	0.0%
Manisha Rashesh Gogri	5,50,000	0.61%	5,50,000	0.61%	0.0%
Arti Rajendra Gogri	4,55,256	0.50%	4,55,256	0.50%	0.0%
Parimal Hasmukhlal Desai	3,49,571	0.39%	3,49,571	0.39%	0.0%
Ratanben Premji Gogri	3,44,332	0.38%	3,44,332	0.38%	0.0%
Heena Bhatia	3,22,588	0.36%	3,22,588	0.36%	0.0%
Rajendra Vallabhaji Gogri (Huf) [Karta-Rajendra Vallabhaji Gogri]	3,08,274	0.34%	3,08,274	0.34%	0.0%
Shantilal Tejshi Shah Huf[Karta-Nehal Garewal]	2,78,881	0.31%	2,78,881	0.31%	0.0%
Indira Madan Dedhia	1,82,250	0.20%	1,82,250	0.20%	0.0%
Mananjay Singh Garewal	1,62,510	0.18%	1,62,510	0.18%	0.0%
Chandrakant Vallabhaji Gogri	1,55,500	0.17%	1,55,500	0.17%	0.0%
Hetvi Rohan Ghalla	1,50,000	0.17%	1,50,000	0.17%	0.0%
Monisha Bhatia	1,21,121	0.13%	1,21,121	0.13%	0.0%
Shreya Suneja	1,12,500	0.12%	1,12,500	0.12%	0.0%
Dinesh Devchand Ghalla	1,00,000	0.11%	1,00,000	0.11%	0.0%
Gunavanti Navin Shah	86,644	0.10%	86,644	0.10%	0.0%
Krisha Yogesh Nahar	43,940	0.05%	42,740	0.05%	0.0%
Jayesh Shah	14,957	0.02%	14,957	0.02%	0.0%
Prasadi Yogesh Banatwala	4,245	0.00%	4,245	0.00%	0.0%
Pooja Renil Gogri	382	0.00%	382	0.00%	0.0%
LABDHI BUSINESS TRUST (Saswat Trusteeship Private Limited)	28,41,504	3.13%	28,41,504	3.14%	0.0%
MANOMAYA BUSINESS TRUST (Alabhya Trusteeship Private Limited)	13,08,496	1.44%	13,08,496	1.44%	0.0%
Heena Family Private Trust (Barclays Wealth Trustees India Private Limited)	8,33,859	0.92%	8,33,859	0.92%	0.0%
Bhavna Family Private Trust (Barclays Wealth Trustees India Pvt Ltd)	8,04,101	0.89%	8,04,101	0.89%	0.0%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026		As at 31st March, 2025		% change During the period
	Number of Shares held	% of holding	Number of Shares held	% of holding	
TULIP FAMILY TRUST (Gloire Trusteeship Services Private Limited)	3,97,500	0.44%	7,07,500	0.78%	(0.3%)
JASMINE FAMILY TRUST (Relacion Trusteeship Services Private Limited)	6,87,500	0.76%	6,87,500	0.76%	0.0%
ORCHID FAMILY TRUST (Relacion Trusteeship Services Private Limited)	3,80,000	0.42%	6,80,000	0.75%	(0.3%)
LOTUS FAMILY TRUST (Gloire Trusteeship Services Private Limited)	6,24,500	0.69%	6,24,500	0.69%	0.0%
AASHYAV BUSINESS TRUST (Alabhya Trusteeship Private Limited)	37,900	0.04%	37,900	0.04%	0.0%
Anushakti Enterprise Private Limited	29,92,950	3.30%	29,92,950	3.30%	0.0%
Safechem Enterprises Private Limited	8,33,000	0.92%	14,63,000	1.61%	(0.7%)
Alchemie Financial Services Limited	6,73,006	0.74%	6,73,006	0.74%	0.0%
Gogri Finserv Pvt. Ltd.	3,37,505	0.37%	3,37,505	0.37%	0.0%
Alchemie Finserv Pvt. Ltd.	2,64,105	0.29%	2,64,105	0.29%	0.0%
Nikhil Holdings Private Limited	1,80,891	0.20%	1,80,891	0.20%	0.0%
Dilesh Roadlines Pvt Ltd	8,318	0.01%	8,318	0.01%	0.0%
Valiant Organics Limited	7,500	0.01%	7,500	0.01%	0.0%
Bhanu Pradip Savla	1,55,737	0.17%	1,55,737	0.17%	0.0%
Total	**3,90,58,464**	**43.08%**	**4,01,41,200**	**44.29%**	**(1.2%)**

14.5 Dividends

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Cash Dividends on Equity Shares declared and/or paid:		
Final Dividend for the year ended 31st March, 2025: 2.50 Per share (PY: ₹ 1.00/-)	2,266.03	906.26
Interim Dividend for the year ended 31st March, 2026: ₹ 1.50 per share (PY: ₹ 2.50/-)	1,359.87	2,265.65
Total	**3,625.90**	**3,171.91**
Proposed Dividend on Equity Shares:		
Dividend for the year ended 31st March, 2026: ₹ : 2.00/- per share (PY: ₹ 2.50/-)	1,813.16	2,265.87
Total	**1,813.16**	**2,265.87**

Footnote: The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Group https://www.aartipharmalabs.com/investors/dividend-distribution-policy-feb-2023.pdf

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31st March, 2026.

14.6 Equity shares reserved for issue under employee stock options

For number of stock options against which equity shares to be issued by the Group upon vesting and exercise of those stock options and rights by the option holders as per the relevant schemes - refer note 34.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

15 OTHER EQUITY

(₹ in Lakhs)

Particulars		As at 31st March, 2026	As at 31st March, 2025
a	Retained Earning	1,55,864.56	1,32,331.14
b	Securities Premium	44,191.86	44,075.78
c	Capital Reserve	-	8,943.81
d	Capital Redemption Reserve	25.00	25.00
e	General Reserve	8,187.56	8,983.53
f	Employee Stock Option Plaan Reserve	304.57	173.05
g	Other Comprehensive Income - Equity Instruments	290.79	434.06
h	Other Comprehensive Income - Cash Flow Hedge	(396.51)	(94.41)
i	Foregin Currency Translation Reserve	(540.26)	(413.06)
Total		**2,07,927.58**	**1,94,458.90**

Nature and Purpose of Reserves

Security Premium:

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve :

This reserve comprises of amount on Equity share cancellation on account of Scheme of arrangement on Demerger. This reserve can be utilised in accordance with the provision of section 69 of the Companies Act, 2013

General Reserve :

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations adjusted by utilisation of reserve in accordance with companies act in earlier years before demerger. The requirement to mandatorily transfer a specified percentage of the net profit to general reserve before declaration of dividend has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained Earning :

Retained earning are the profits that the Group has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Employee Stock Option Plan Reserve :

The share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium, upon exercise of stock options, and transferred to general reserve on account of stock options not exercised by employees.

Equity instruments through Other Comprehensive Income :

The Group has opted to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity.

The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Other Comprehensive Income - Cash Flow Hedge

For the forward contracts designated as cash flow hedges, the effective portion of the fair value of forward contracts are recognised in cash flow hedging reserve under other equity. Upon de-recognition, amounts accumulated in other comprehensive income are taken to profit or loss at the same time as the related cash flow.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars		As at 31st March, 2026	As at 31st March, 2025
Other Equity			
a	**Retained Earning**		
	Opening Balance	1,32,331.14	1,08,576.68
	Net Retained Earning after adjustment	1,32,331.14	1,08,576.68
	Add/(Less): Adjustment on account of change in control	9,809.32	-
	Add: Net Profit for the year	17,470.74	27,240.46
	Add: Transferred from OCI Reserve on disposal of FVOCI Equity	4.65	46.46
	Less: Interim and Final Dividend	(3,625.90)	(3,171.91)
	Less: Remeasurement of defined employee benefit plans (net of tax)	(125.39)	(142.31)
	Less: Transfer to Reserves	-	(218.25)
	Closing Balance	**1,55,864.56**	**1,32,331.14**
b	**Securities Premium**		
	Opening Balance	44,075.78	44,032.54
	Movement during the year	116.08	43.24
	Closing Balance	**44,191.86**	**44,075.78**
c	**Capital Reserves**		
	Opening Balance	8,943.81	8,943.81
	Add/(Less): Adjustment on account of change in control	(8,943.81)	-
	Closing Balance	**-**	**8,943.81**
d	**Capital Redemption Reserve**		
	Opening Balance	25.00	25.00
	Movement during the year		
	Closing Balance	**25.00**	**25.00**
e	**General Reserve**		
	Opening Balance	8,983.53	8,765.28
	Add/(Less): Adjustment on account of change in control	(795.97)	-
	Movement during the year	-	218.25
	Closing Balance	**8,187.56**	**8,983.53**
f	**Employee Stock Option Plaan Reserve**		
	Opening Balance	173.05	22.84
	Movement during the year	247.60	193.45
	Less: During the year	(116.08)	(43.24)
	Closing Balance	**304.57**	**173.05**
g	**Other Comprehensive Income - Equity Instruments**		
	Opening Balance	434.06	1,079.12
	Add/(Less): Adjustment on account of change in control	(69.41)	
	Movement during the year	(69.21)	(598.60)
	Less : Transfer to retained earnings on disposal of FVOCI equity	(4.65)	(46.46)
	Closing Balance	**290.79**	**434.06**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
h Other Comprehensive Income - Cash Flow Hedge		
Opening Balance	(94.41)	60.51
Add - Effective portion of change in fair value recognised in OCI	(789.39)	(154.92)
Less - Reclassified to profit or loss (as hedged sales occurred)	385.69	-
less - Deferred tax	101.61	-
Closing Balance	**(396.51)**	**(94.41)**
j Foregin Currency Translation Reserve		
Opening Balance	(413.06)	(333.16)
Movement during the year	(127.20)	(79.90)
Closing Balance	**(540.26)**	**(413.06)**
Total	**2,07,927.58**	**1,94,458.90**

16 BORROWINGS

16.1 Non-Current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Term loan from Bank	22,869.08	10,355.56
Less - Transfer to Current maturities	(4,287.95)	-
Total	**18,581.14**	**10,355.56**

16.2 Borrowings - Current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Repayable on demand from Banks (secured)		
- Cash Credit Facility	21.96	4.75
- Working Capital Demand Loan	14,998.36	18,760.88
- Packing Credit in Indian Currency	10,000.00	-
- Packing Credit in foreign currency	20,674.03	10,514.04
- Current maturities of Long-Term Loan	4,287.95	-
Total	**49,982.30**	**29,279.67**

notes:

1 As at 31st March, 2026, ₹ 45,694.35 lakhs (31st March, 2025: ₹ 29,274.92 Lakhs) of the total outstanding borrowings were secured by a first charge on current assets and second charge of movable fixed assets. were secured by a first pari passu charge on the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the Group. These credit facilities carry average interest rates in the range of 7.00% to 8.00% p.a. (PY: 7.00% to 8.00% p.a.).

2 The Group does not have any charges which are yet to be registered with ROC beyond the statutory period except for working capital ₹ 75 Crores

3 In respect of working capital borrowings from banks timely stock statements are submitted to the banks as below

The Group has been sanctioned working capital facilities from banks on the basis of security of current assets. The quarterly returns / statements of current assets (comprising stock and book debts) filed by the Group with the said banks are not wholly in agreement with the books of account. A summary of the reconciliation of the differences, together with the reasons therefor, is given below.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The Group did submit revised stock statements to all banks after accounts finalisation for the respective reporting periods.

Quarter ended	Name of bank/ financial institution	Particulars of current asset (e.g. Inventory)	Amount as per Quarterly Financials	Amount as per Stock statement	Difference	Reason for Variation
31st March 2026	Kotak Mahindra Bank, ICICI Bank, Axis Bank, Standard Chartered Bank and IDBI Bank	Hypothecation of Inventories	63,621.37	63,980.00	358.63	Refer note (a) below
31st December 2025			65,116.87	61,047.00	(4,069.87)	
30th September 2025			61,208.32	62,494.00	1,285.68	
30th June 2025			59,678.95	59,465.00	(213.95)	
31st March 2026	Kotak Mahindra Bank, ICICI Bank, Axis Bank, Standard Chartered Bank and IDBI Bank	Hypothecation of book debts	58,655.22	59,094.00	438.78	Refer note (b) below
31st December 2025			51,364.08	51,630.00	265.92	
30th September 2025			45,840.96	41,351.00	(4,489.96)	
30th June 2025			42,430.26	42,098.00	(332.26)	

(a) Stock: The differences arise from the basis on which the statements filed with the banks are compiled and comprise principally the effect of the measurement requirements applicable to inventories, adjustments to the carrying value of inventories determined on completion of the valuation exercise for the respective quarter, and the effect of revenue cut-off adjustments, consequent to which goods dispatched in the vicinity of the quarter end were considered as part of closing inventory in the books of account.

(b) Book debts: The differences arise from the basis on which the statements filed with the banks are compiled and comprise principally the effect of the measurement and classification requirements under Ind AS 115, customer advances and credit balances that are set off in the books of account, allowances for expected credit losses, and regroupings and adjustments recorded on completion of the periodic closing procedures for the respective quarter

4 The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

5 Working-capital demand loans and packing credit interest at rates fixed for the tenor of each drawdown and are classified as fixed-rate borrowing; the cash-credit facility (₹ 21.96 Lakhs) is benchmark-linked. The Group's floating-rate interest exposure arises from the External Commercial Borrowing and FCNR loan, on which the interest-rate sensitivity above is computed

6 Currency and interest exposure of borrowings including current maturities is as below:

(₹ in Lakhs)

Particulars	31st March, 2026			31st March, 2025		
	Fixed Rate	Floating Rate	Total	Fixed Rate	Floating Rate	Total
a - Indian National Rupee (₹) - Total	24,998.36	21.96	25,020.32	18,760.88	4.75	18,765.63
b - United States Dollar (US$) - Total	20,674.03	22,869.08	43,543.11	10,514.04	10,355.56	20,869.60
	45,672.39	**22,891.04**	**68,563.44**	**29,274.92**	**10,360.31**	**39,635.23**
a - Indian National Rupee (₹) - Hedged (interest rate swaps)	24,998.36	21.96	25,020.32	18,760.88	4.75	18,765.63
b - United States Dollar (US$) - Hedged (interest rate swaps)	20,674.03	22,869.08	43,543.11	10,514.04	10,355.56	20,869.60
	45,672.39	**22,891.04**	**68,563.44**	**29,274.92**	**10,360.31**	**39,635.23**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31st March, 2026			31st March, 2025		
	Fixed Rate	Floating Rate	Total	Fixed Rate	Floating Rate	Total
a - Indian National Rupee (₹) - Unhedged	24,998.36	21.96	25,020.32	18,760.88	4.75	18,765.63
b - United States Dollar (US$) - Unhedged	20,674.03	22,869.08	43,543.11	10,514.04	10,355.56	20,869.60
	45,672.39	**22,891.04**	**68,563.44**	**29,274.92**	**10,360.31**	**39,635.23**
% of Total Borrowings	**66.61%**	**33.39%**	**100.00%**	**73.86%**	**26.14%**	**100.00%**

Repayment of Term loan

Particulars	Repayment Tenor			
	0-1 Year	1-2 Year	Beyond 2 year	Total
Term Loan from Banks - CITI	2,154.16	2,872.21	6,462.51	11,488.88
Term Loan from Banks -AXIS	2,133.79	2,845.05	6,401.36	11,380.20

Facility/tranche	Borrowed loan in Currency	Carrying amt (₹ Lakhs)	Rate of interest	Repayment/tenor	Purpose
Citibank N.A. - Term Loan 1 (part of ₹ 100 Cr, FCNR)	US$ (FCNR)	3,446.67	SOFR + 1.50% p.a. (floating)	6-yr door-to-door; 2-yr moratorium	Solar power project capex
Citibank N.A. - Term Loan 2 (part of ₹ 100 Cr, FCNR)	US$ (FCNR)	8,042.22	SOFR + 1.50% p.a. (floating)	6-yr door-to-door; 2-yr moratorium	Atali project capex
Axis Bank - ECB	US$	11,380.20	SOFR + 1.40% p.a. (floating)	16 equal quarterly instalments of US$ 0.75 million, August-2026 to May-2030	Atali project capex
Total				**22,869.08**	

Term loans from banks comprise:

A term loan of ₹ 100 Crores from Citibank N.A., sanctioned in two tranches - ₹ 70 Crores for the Atali project capex and ₹ 30 Crores for the solar power project capex - each with a six-year door-to-door tenor and a two-year moratorium, availed as a foreign-currency (FCNR) loan; carrying amount ₹ 11,488.88 Lakhs, bearing interest at the bank's applicable rate (floating, with monthly rests); and

An External Commercial Borrowing of US$ 12 million from Axis Bank, carrying amount ₹ 11,380.20 Lakhs, bearing interest at SOFR plus 1.40% per annum and repayable in 16 equal quarterly instalments of US$ 0.75 million from August 2026 to May 2030.

Both facilities are secured by a first pari-passu charge on the Group's movable fixed assets and a second pari-passu charge on current assets.

The Group has complied with all applicable covenants as at and for the year ended 31st March 2026.

17 LEASE LIABILITIES

17.1 Non-current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Long term maturities of finance lease obligations	5,217.60	1,166.89
Total	**5,217.60**	**1,166.89**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

17.2 Current

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Short term maturities of finance lease obligations	1,655.09	509.40
Total	**1,655.09**	**509.40**

i The Group has lease contracts for its office premises and godowns with lease term between 1 year to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group also has certain leases of office premises and godowns with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

a The movement in lease liabilities during the year ended 31st March, 2026 and 31st March, 2025 is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning	**1,676.29**	**2,115.05**
Additions	6,614.13	25.94
Accretion of interest	529.80	155.25
Lease terminate	(79.37)	-
Payment of lease liabilities	(1,868.16)	(619.95)
Balance at the end	**6,872.69**	**1,676.29**
Non -current	5,217.60	1,166.89
Current	1,655.09	509.40

b The following are the amounts recognised in profit or loss:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Depreciation on right-of-use assets (refer note no 4)	1,562.69	523.82
Interest expense on lease liabilities (refer note no 30)	529.80	155.25
Expense relating to short-term leases (refer not no 32)	184.72	117.28
Total amount recognised in statement of profit and loss	**2,277.21**	**796.35**

c Details of carrying amount of right-of-use assets and movement during the period.

i The maturity analysis of lease liabilities are disclosed in Note. 40 (C) 'Liquidity Risk Management'

ii The effective interest rate for lease liabilities is 9%, with maturity between 2023-2028

iii Expense relating to short-term leases are disclosed under the head Rent paid in other expenses.

18 PROVISIONS

18.1 Non Current Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision For Employees Benefit		
- Provision for Gratuity (Refer note no. 29)	-	83.07
- Provision for Leave Salary (Refer Note No. 29)	785.18	728.71
Total	**785.18**	**811.78**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

18.2 Current Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision For Employees Benefit		
- Provision for Gratuity (Refer Note No - 29)	366.19	396.70
- Provision for Leave Salary (Refer Note No - 29)	100.99	96.35
- Provision for Bonus	654.87	680.78
Total	**1,122.05**	**1,173.83**

notes:

i The Group presents provision for gratuity and leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employees, etc.

ii Detailed disclosure in respect of post-retirement defined benefit scheme is provided in note 29

19 DEFERRED TAX

Particulars	As on dated 1st April, 2025	Charge / (Credit) to Statement of Profit and Loss	Charge /(Credit) to Other Comprehensive Income	As at 31st March, 2026
Deferred tax liabilities/(Assets), on account of				
Depreciation for tax purposes	13,079.61	2,464.57		15,544.18
Reclassification of the joint venture	(871.79)			(871.79)
Deferred tax on the FVTPL derivative	-	(748.23)		(748.23)
Expenses allowable on payment basis	(351.06)	(64.62)	(43.54)	(459.22)
Fair valuation of Investments	168.73		4.97	173.70
Fair valuation of Cash flow hedge	(23.46)		(101.61)	(125.07)
Right of Use and Lease as per Ind AS 116	(33.41)	(46.95)	-	(80.36)
Deferred tax expense/(benefit) for the year	**-**	**1,604.77**	**(140.18)**	
Net Deferred Tax Liability	**11,968.62**			**13,433.20**

Particulars	As on dated 1st April, 2024	Charge / (Credit) to Statement of Profit and Loss	Charge /(Credit) to Other Comprehensive Income	As at 31st March, 2025
Deferred tax liabilities, on account of				
Depreciation for tax purposes	10,896.55	2,183.06		13,079.61
Deferred tax assets, on account of				
Expenses allowable on payment basis	(214.28)	(136.78)		(351.06)
Fair valuation of Investments	126.73	47.73	(5.73)	168.73
Fair valuation of Cash flow hedge			(23.46)	(23.46)
Right of Use and Lease as per Ind AS 116	(17.00)	(16.41)		(33.41)
Deferred tax expense/(benefit) for the year		**2,077.60**	**(29.19)**	
Net Deferred Tax Liability	**10,792.00**			**12,840.41**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of tax expense and accounting profit for the year:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Profit before tax	**23,292.12**	**36,068.94**
Income tax expense calculated at 25.168%, (P.Y - 25.168%, 34.32 on joint venture)	5,862.16	9,215.13
Effect of expenses not deductible for tax computation	3,749.37	2,632.61
Effect of concessions (depreciation under income tax act)	(4,251.38)	(3,383.04)
Effect of Income which is deductible expenses under income tax	(1,055.47)	(1,244.44)
Total	**4,304.68**	**7,220.26**
Adjustment of tax relating to earlier periods	(88.06)	(469.52)
Deferred tax expenses	1,604.77	2,077.74
Tax expense as per Statement of Profit and Loss	**5821.38**	**8,828.47**

Deferred tax assets/ liabilities are the amounts of income taxes recoverable/ payable in future periods in respect of taxable temporary differences, respectively.

20 NON-CURRENT OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Loan received from from Related Parties (refer note 38)	1,500.00	770.27
- TRF MTM	2,435.98	-
Total	**3,935.98**	**770.27**

21 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade & Non-Trade Payables		
(a) - Total Outstanding Dues of Micro enterprises and Small Enterprises; and	116.72	1,152.06
(b) - Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	33,337.21	26,630.98
Total	**33,453.94**	**27,783.04**

As at 31st March, 2026

(₹ in Lakhs)

Particulars	Not due	Up to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
MSME	116.72	-	-	-	-	116.72
Others	16,009.75	17,011.63	179.26	69.22	67.36	33,337.22
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Total	**16,126.47**	**17,011.63**	**179.26**	**69.22**	**67.36**	**33,453.94**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As at 31st March, 2025

(₹ in Lakhs)

Particulars	Not due	Up to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
MSME	990.86	161.20	-	-	-	1,152.06
Others	11,500.47	14,560.53	170.81	172.60	226.57	26,630.98
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Total	**12,491.33**	**14,721.74**	**170.81**	**172.60**	**226.57**	**27,783.04**

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(a) Principal amount remaining unpaid to any supplier	116.72	1,152.06
(b) Interest on (i)(a) above	-	-
The amount of interest paid along with the principal payment made to the supplier		
Amount of interest due and payable on delayed payments	-	-
Amount of further interest remaining due and payable for the earlier years	-	-
Total outstanding dues of Micro and Small Enterprises		
- Principal	116.72	1,152.06
- Interest		

22 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Liability for Capital Goods	1,333.22	1,445.62
- Unclaimed Dividends	71.61	34.90
- Salaries, Wages, Bonus and Other Employee Payables	2,273.38	1,994.62
- Forward Contract and TRF MTM	1,035.07	94.41
- Interest Payable	148.24	-
- Others Expenses	1,651.57	1,167.35
Total	**6,513.09**	**4,736.90**

23 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Advance Tax and Tax Deducted at Source (Net of Provision)	-	114.49
Total	**-**	**114.49**

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
- Statutory liabilities	428.68	358.40
- Advance from Customers and Others	601.85	1,351.66
Total	**1,030.54**	**1,710.07**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Sale of Manufactured Products	1,70,046.09	1,83,800.02
(b) Sale of Traded Products	7,674.05	23,871.90
(c) Sale of Services	1,056.62	928.29
(d) Other Operating Revenues	3,167.48	2,907.24
Total	**1,81,944.25**	**2,11,507.45**

Other Operating Revenues

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Export Benefits and Incentives	2,694.56	2,737.55
(b) Scrap Sales	472.92	169.69
Total	**3,167.48**	**2,907.24**

(a) Disaggregate revenue information

Refer Note 36 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

(b) In case of Domestic Sales, payment terms range from 60 days to 120 days based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - 60 days to 120 days. There is no significant financing component in any transaction with the customers.

(c) The Group does not provide performance warranty for products, therefore there is no liability towards performance warranty.

(d) The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

25 OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Interest Income		
Interest Received	-	180.34
Investments in debt instruments measured at fair value	160.19	447.84
Other financial assets carried at amortised cost	53.70	81.44
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI	-	5.07
(c) Other Non-operating Income		
Miscellaneous Income	760.74	127.15
(d) Other Gains and Losses		
Net gain on sale of property, plant and equipment	-	0.76
Total	**974.64**	**842.59**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

26 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Opening Stock	21,963.74	21,306.17
Add: Purchases	85,758.79	84,488.12
	1,07,722.53	**1,05,794.29**
Less: Closing Stock	24,716.17	22,214.49
Total	**83,006.36**	**83,579.80**

27 PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Purchases of stock-in-trade	5,594.87	17,663.47
Total Purchases of Stock-in-Trade	5,594.87	17,663.47

28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Opening Inventories		
Finished Goods	21,476.90	29,664.70
Work-in-Progress	12,148.17	12,887.30
Total	**33,625.07**	**42,552.00**
Closing Inventories		
Finished Goods	22,001.29	23,104.62
Work-in-Progress	16,741.77	13,025.34
Total	**38,743.06**	**36,129.96**
(Increase)/decrease in inventories	**(5,117.99)**	**6,422.04**

29 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Directors' Remuneration and Commission	1,007.20	1,330.67
(b) Salaries and wages	13,914.07	12,930.81
(c) Contribution to provident and other funds	1,003.57	938.68
(d) Staff welfare expenses	1,136.87	802.33
(e) Employee Stock Option Plan	247.60	193.45
Total	**17,309.31**	**16,195.95**

A Post-employment benefits

(i) Provident Fund (defined contribution plan)

The Group has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan are ₹ 899.87 Lakhs (PY ₹ 733.24 Lakhs).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(ii) Retirement Gratuity (defined benefit plans)

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India. The Group maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The Group operates a funded defined benefit gratuity plan; it is a final-salary plan with contributions made to a separately administered fund managed by LIC,

During the year, a change in the eligible salary arising from the new labour codes resulted in a plan amendment; the resulting increase in the obligation of ₹ 189.10 Lakhs has been recognised as past service cost as on 21st November, 2025 (measured using a discount rate of 6.94%).

Aforesaid post-employment benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

(i) Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

(ii) Interest risk:

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

(iv) Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(v) Asset-liability matching risk:

The plan invests in line with Rule 101 of the Income Tax Rules, 1962. Concentration risk: the plan assets are held with a single insurer, so a default would affect all assets, although this probability is low

Details of defined benefit obligations and plan assets (Gratuity)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Obligation at the beginning of the year	2,050.24	1,793.66
Current service cost	248.00	205.93
Past Service Cost	189.10	
Interest costs	148.09	129.63
Remeasurement (gain)/loss	(152.38)	177.75
Benefits paid	(147.39)	(93.82)
Obligation at the end of the year	2,335.67	2,213.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars		For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	1,674.42	1,771.27
	Interest income	121.83	123.71
	Employers' contribution	300.00	19.62
	Benefits paid	(147.39)	(92.44)
	Return on Plan Assets, Excluding Interest Income	20.61	(28.76)
	Fair value of plan assets at the end of the year	1,969.47	1,793.40
(c)	**Net defined benefit asset/ (liability) recognised in the balance sheet**		
	Present Value of Obligation	(2,335.67)	2,213.15
	Fair Value of Plan Assets	1,969.47	(1,793.40)
	Recognised as:		
	Provision for Gratuity (non-current)	-	83.07
	Provision for Gratuity (current)	(366.20)	336.68
(d)	**Expense/(gain) recognised in the statement of profit and loss consists of:**		
	Employee benefits expenses:		
	Current service cost	248.00	205.93
	Net Interest Cost	26.26	5.93
	Past Service Cost	189.10	0.00
	Net defined benefit expense debited to statement of profit and loss	**463.36**	**211.86**
(e)	**Remeasurement (gain)/ loss recognised in other comprehensive income**		
	Actuarial (Gains)/Losses on Obligation For the Period	(152.38)	177.75
	Return on Plan Assets, Excluding Interest Income	(20.61)	28.76
	Recognised in other comprehensive income	(173.00)	206.51
(f)	**Broad categories of plan assets as a percentage of total assets**		
	Insurer managed funds	100.00%	100.00%
(g)	**Principal assumptions used in determining defined benefit obligation**		
	Discount Rate	7.36%	6.79%
	Rate of escalation in Salary	5.00%	5.00%
	Rate of Employee Turnover	5.00%	5.00%
	Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
(h)	**Maturity profile of defined benefit obligation**		
	1st following year	300.43	290.08
	2nd following year	163.55	166.11
	3rd following year	227.92	177.23
	4th following year	193.73	205.80
	5th following year	188.83	173.52
	Sum of year 6 To 10	1,062.38	929.29
	Sum of years 11 and above	2,447.53	2,184.02

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(i) Sensitivity analysis for significant assumptions:		
Defined Benefit Obligation on Current Assumptions	2,335.67	2,213.15
Delta Effect of +1% Change in Rate of Discounting	(154.84)	(149.63)
Delta Effect of -1% Change in Rate of Discounting	177.42	171.89
Delta Effect of +1% Change in Rate of Salary Increase	167.85	163.40
Delta Effect of -1% Change in Rate of Salary Increase	(149.52)	(145.71)
Delta Effect of +1% Change in Rate of Employee Turnover	29.75	20.89
Delta Effect of -1% Change in Rate of Employee Turnover	(33.85)	(23.93)

notes:

(i) The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(ii) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(iii) Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

(iv) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(v) The Group is expected to contribute ₹ 651.67 Lakhs to defined benefit plan obligations funds for the year ended 31st March, 2027.

(vi) Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.

(vii) The Weighted Average Duration of the Plan works out to 9 years.

(viii) Asset Liability matching strategy:

The money contributed by the Group to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Group to fully prefund the liability of the Plan.

B Other long-term employee benefits

Annual Leave

Financial Assumptions

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Discount Rate		
Discount Rate	7.36%	6.79%
Salary increases allowing for Price inflation	5.00%	5.00%

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Employee Turnover	5.00%	5.00%
Leave Availment Ratio	2.00%	2.00%

Compensated absences (privilege leave)

Privilege leave is another long-term employee benefit measured using the projected unit credit method; remeasurements are recognised in profit or loss. The liability recognised is:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Present value of obligation (unfunded)	886.17	796.59
- Current	100.99	87.74
- Non-current	785.18	708.85

30 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) on borrowings from banks and others	4,160.47	2,534.39
(b) Interest on obligations under leases (note 17)	529.80	155.25
Total	**4,690.28**	**2,689.64**

31 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Depreciation of Property, Plant and Equipment (Refer Note 4)	8,174.09	7,640.54
(b) Amortisation of Intangible Assets (Refer Note 4)	696.73	526.04
(c) Depreciation of Right of Use (ROU) Assets (Refer Note 4)	1,562.69	523.82
Total	**10,433.51**	**8,690.40**

32 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Consumption of Power and water	8,788.11	8,132.49
(b) Processing Charges	604.44	625.50
(c) Environmental health and safety expenses	948.86	1,137.17
(d) Labour Charges	5,398.35	4,705.86
(e) Safety & Security Charges	298.65	351.49
(f) Repairs and Maintenance		-
Consumption of Stores & Spares	6,350.88	5,122.45
Repairs to Building	541.97	232.59
Repairs to Plant & Machinery	4,353.29	4,420.94

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(g) Insurance Charges	583.59	783.11
(h) Research & Development Expenses	3,285.16	3,283.21
(i) Laboratory charges	940.07	925.70
(j) Rates and Taxes	900.81	374.87
(k) Legal & Professional Fees	1,116.65	771.85
(l) Director Sitting Fees	18.90	24.70
(m) Auditor's Remuneration (footnote (a) below)	16.28	17.04
(n) Export Freight Expenses, Outward Freights	3,924.82	6,830.77
(o) Advertisement & Sales Promotion	379.01	263.85
(p) Rent paid	184.72	117.28
(q) Commission and Incentives on sales	485.24	805.53
(r) Provision for Bad and Doubtful Debts	192.35	128.14
(s) - Corporate Social Responsibility (footnote (b) below)	565.20	486.23
(t) Miscellaneous Expenses	1,032.59	1,667.76
Total	**40,909.93**	**41,209.14**

notes:

(a) Details of payments to Auditors (excluding GST)

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
Payment to Auditors		
(a) for Statutory Audit	12.45	14.27
(b for Other Services - Certification	2.45	1.65
(c) for Reimbursement of Expenses	1.38	1.12
Total	**16.28**	**17.04**

(b) Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Group has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details are as under:

Details of CSR Expenditure:

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Gross amount required to be spent by the Group during the year	562.81	486.23
(b) Amount approved by the Board to be spent during the year		
Construction/acquisition of any asset		
On purposes other than above	565.20	486.23
Total	**565.20**	**486.23**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(c) Details of ongoing project and other than ongoing project		
(i) In case of Section 135(5) (other than ongoing project)		
Opening Balance	33.24	33.24
Reclassification of the joint venture	(3.53)	-
Amount required to be spent during the year	562.81	486.23
Amount spent during the year	565.20	486.23
Closing balance (Excess spent)	**27.32**	**33.24**
(e) Details related to spent amount		
(i) Education and skill Development	137.54	174.09
(ii) Livestock Development	25.00	10.51
(iii) Medical Grants, Healthcare Facilities	224.37	41.75
(iv) Tribal Welfare, Rural and socially backward society Development	60.00	64.97
(v) Water Manage ment- Conservation		44.78
(vi) Women Empower ment And Livelihood		31.19
(vii) Green Environment Project	0.99	5.73
(viii) Other	117.66	116.00

Nature of CSR activities for the year ended 31st March, 2026 and 31st March, 2025:

Promoting education and women empowerment, preventive healthcare, supporting sports activities in rural areas of country, promoting hygiene sanitation practices, supporting clean and pollution free environment, for renovation of school, and for other activities as prescribed under Schedule VII of The Companies Act, 2013

(c) Goodwill on consolidation

Goodwill of ₹ 178.06 Lakhs, arising on the acquisition of Aarti Pharmachem Limited, has been allocated to that entity, which constitutes a separate cash-generating unit. The recoverable amount of the cash-generating unit has been determined on the basis of its value in use, calculated by discounting the future cash flows expected to be generated from its continuing use. As the recoverable amount was assessed to be lower than the carrying amount, the entire goodwill has been impaired and the charge of ₹ 178.06 Lakhs recognised in Other Expenses.

33 EARNING PER SHARE (EPS):

Particulars	For the Year Ended 31st March, 2026	For the Year Ended 31st March, 2025
(a) Net Profit available for Equity Shareholders	17,471	27,240.46
(b) No. of Equity Shares as per financial statement	9,06,57,751	9,06,34,624
(c) Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.)	9,06,43,044	9,06,34,624
(d) Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.)	9,07,34,448	9,06,92,996
(e) Face value per Equity Share	₹ 5	₹ 5
(f) Basic Earnings Per Share (in ₹)	19.27	30.06
(g) Diluted Earnings Per Share (in ₹)	19.25	30.04

Footnotes:

(a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Group by the weighted average number of Equity shares outstanding during the year.

(b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Group by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(c) Number of Shares for Computation of EPS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Basic EPS (in Nos)		
Existing number of equity shares	9,06,34,624	9,06,34,624
Weighted Average Equity shares Issued during the year	8,420	
Weighted average number of Equity Shares	**9,06,43,044**	**9,06,34,624**
Diluted Earnings Per Share (in Nos)		
Existing number of equity shares	9,06,57,751	9,06,34,624
PSOP (with effect from 4th January, 2024)	10,567	23,084
PSOP (with effect from 13th May, 2024)	25,330	35,288
PSOP (with effect from 10th May, 2025)	40,800	-
Weighted average number of Equity Shares	**9,07,34,448**	**9,06,92,996**

34 SHARE BASED PAYMENTS

a Scheme details

The Group has Employees' Stock Option Scheme i.e. PSOP under which options have been granted at the exercise price of ₹ 5 per share to be vested from time to time on the basis of performance and other eligibility criteria. Details of number of options outstanding have been tabulated below:

Details of Employee Stock Options granted from 1st April, 2023 to 31st March, 2026

Financial Year (Year of Grant)	Number of Options Outstanding		Financial Year of Vesting	Exercise Price (K)	Market value at Grant Date
	31st March, 2026	31st March, 2025			
2023-24	10,567	23,084	2024-25 to 2026-27	₹ 5	₹ 496.84
2024-25	25,330	38,400	2025-26 to 2027-28	₹ 5	₹ 520.05
2025-26	40,800	-	2026-27 to 2028-29	₹ 5	₹ 765.45

Exercise period would commence from the date of Vesting or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee of the Board.

b Fair Value on the grant date

The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31st March, 2025 and 31st March, 2026 are mentioned below:

(₹ in Lakhs)

Partculars		PSOP 1	PSOP 2	PSOP 3
i	Grant price - (R)	5.00	5	5
ii	Grant dates	1st April, 2024	13th May, 2024	10th May 2025
iii	Vesting commences on	1st April, 2025	13th May, 2025	10th May 2026
iv	Options granted and outstanding at the beginning of the year	-	-	-
v	Vesting commences on	FY 2024-25 to FY 2026-2027	FY 2025-26 to FY 2027-28	FY 2026-27 to FY 2028-29
vi	Options granted	31,700	40,000	42,000
vii	Options exercised	19,073	12,670	-
viii	Excercised lapsed / Transfer to pool account	2,060	2,000	1,200

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Partculars		PSOP 1	PSOP 2	PSOP 3
ix	Options granted and outstanding at the end of the year, of which	10,567	25,330	40,800
	Options vested	-	-	-
	Options yet to vest	10,567	25,330	40,800
x	Weighted average remaining contractual life of options (in years)	1	2	3

(₹ in Lakhs)

Partculars		PSOP 1	PSOP 2	PSOP 3
i	Risk-free interest rate	7.18%	7.22%	6.14%
ii	Expected life of options	2.50	2.50	2.50
iii	Expected volatility	0.55	0.42	0.45
iv	Expected dividends over the life of the option	0.40%	0.38%	0.65%
v	Share price as on grant date	496.84	520.05	765.45
vi	Exercise price	5.00	5.00	5.00
vii	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option

Movement in share options during the year:

(₹ in Lakhs)

Particulars	31st March, 2026		31st March, 2025	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Balance at the beginning of the year	61,484	5	31,700	5
Granted during the year	42,000	5	40,000	5
Exercised during the year	(23,127)	5	(8,616)	5
Options forfeited/lapsed and transfer to pool account	(3,660.00)	5	(1,600)	5
Expired during the year	NIL	NIL	NIL	NIL
Balance at the end of the year	**76,697**	**5**	**61,484**	**5**
Exercisable at the end of the year	NIL	NIL	NIL	NIL

Scheme description -

The Employees' Stock Option Scheme is an equity-settled plan. Options are granted at an exercise price of ₹ 5 and vest in a graded manner over three years subject to continued service; the exercise period commences on vesting andruns upto a Maximum period of 7 years from the date of respective grant of Options Each option, on exercise, entitles the holder to one equity share of face value ₹ 5.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Effect on profit or loss

Total expense recognised during the year for equity-settled share-based payment transactions: ₹ 247.60 Lakhs (previous year: ₹ 193.45 Lakhs), included in employee benefits expense and credited to the Employee Stock Option Plan reserve (Note 15(e)). There are no cash-settled share-based payment transactions, and accordingly no liability.

Exercise-price range & remaining life

Weighted average share price at the date(s) of exercise (23,127 options exercised): ₹ 706. Options outstanding at 31st March 2026: range of exercise prices ₹ 5 (single price); weighted average remaining contractual life 3 years (PSOP 1 / 2 / 3: 1 / 2 / 3 years).

35 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(a) Contingent Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Claims against the Group not acknowledged as debts		
(i) Income tax matters	-	542.73
(ii) Bank guarantees issued to statutory authorities and other bodies	793.79	848.75
Total	**793.79**	**1,391.48**

(b) Commitments

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Estimated amount of capital contracts remaining to be executed		
Capital account and not provided for (net of advances)	2,893.05	6,732.59
Total	**2,893.05**	**6,732.59**

36 SEGMENT INFORMATION

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers (CODM). The board responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Pharmaceuticals.

(a) Revenue from Type of Product and Services

There is only one operating segment of the Group which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

(b) Geographical Information

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Segment Revenue (Sales & other operating revenue)		
Within India (include Deemed Export)	78,768.19	86,717.14
Outside India	1,00,481.50	1,21,883.07
Total revenue from customers	179,249.69	2,08,600.21
Add : Incentive	2,694.56	2,907.24
Total	**181,944.25**	**2,11,507.45**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Non-Current Assets*		
Within India	1,84,736.35	1,53,366.84
Outside India	-	-
Total		**1,53,366.84**

*includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

(c) Information about major customers

During the year ended 31st March, 2026 and 31st March, 2025, no single customer who contributed 10% or more to the Group's revenue.

37 RESEARCH AND DEVELOPMENT ACTIVITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
Recurring Expenditure (see note No 32)	3,285.16	3,283.21
Capital expenditure		
(a) Tangible Assets (see note No 4)	1,060.23	493.94
(b) Intangible Assets (see note No 4)	3,893.80	4,184.10
Total	**8,239.19**	**7,961.25**

38 RELATED PARTY TRANSACTIONS

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

(a) Key Managerial Personnel:

Name	Designation
(i) Shri Rashesh C. Gogri	Chairman
(ii) Smt. Hetal Gogri Gala	Vice Chairperson & Managing Director
(iii) Shri Narendra Salvi	Managing Director
(iv) Shri Rajendra V. Gogri	Non- Executive Director
(v) Shri Parimal H. Desai	Non- Executive Director
(vi) Smt Nehal Garewal	Non- Executive Director
(vii) Shri Vilas Gaikar	Independent Director
(viii) Shri Bhavesh Vora	Independent Director
(ix) Shri Vinay Nayak	Independent Director
(x) Smt. Jeenal Savla	Independent Director
(xi) Smt. Rupal Vora	Independent Director
(xii) Shri Pradeep Thakur	Independent Director
(xiii) Shri Piyush Lakhani	Chief Financial Officer
(xiv) Shri Jeevan Mondkar	Company Secretary

(b) Close family members of Key Managerial Personnel who are under the employment of the Group:

Shri Chandrakant V Gogri

(c) Other entities/persons where significant influence exist:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(d) Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promotors/ Group of Promotoers

Aarti Industries Limited
Aarti Drugs Limited
Alchemie Gases and Chemicals Private Limited
Valiant Organics Limited
Valiant Laboratories Limited
Alchemie Finechem Limited
Pinnacle Lifesciences Private Limited
Aanvi Speciality Chemicals
Prozeal Green Energy Private Limited (ceased to be a Related Party wef 25th March, 2026)
Aarti Ventures Private Limited
Amulya Techline Engineers (Div of Dilesh Roadlines Private Limited)
Kalpesh Roadlines Limited
Aarti Surfactants Limited
Valiant Advanced Sciences Private Limited
Bio Fuel Circle Private Limited
Dhan Vallabh Welfare Foundation
Aarti Foundation
Pro-Zeal Green Energy Five Private Limited

Compensation of key management personnel of the Group:

(₹ in Lakhs)

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) Short-term employee benefits including Remuneration and Commission	1,139.01	1,322.07
(ii) Share-based payments	106.37	-
(iii) Post-employment benefits	-	-
(iv) Other long-term benefits	-	-
(v) Termination benefits	-	-
(vi) Director Sitting fees	18.90	24.70

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promotors/ Group of Promotoers

(₹ in Lakhs)

Name of related party	Nature of transaction	31st March, 2026		31st March, 2025	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Shri Chandrakant V Gogri	Rent	12.54	(0.90)	14.82	(0.97)
The Trustees Aarti Pharmalabs limited	Contribution to the Gratuity Funds	300.00	1,969.47	17.13	1,674.42
Aarti Industries Limited	Purchase of goods or services	3,724.33		19,625.60	(1,820.11)
	Revenue from Sale of Products	4,185.37	111.52	9,290.88	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Name of related party	Nature of transaction	31st March, 2026		31st March, 2025	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Aarti Drugs Limited	Purchase of goods or services	574.91	-	18.00	-
	Revenue from Sale of Products	468.45	(184.53)	269.79	116.47
Alchemie Gases and Chemicals Private Limited	Purchase of goods or services	0.28	0.44	3.35	-
Valiant Organics Limited	Purchase of goods or services	1,008.24	(51.16)	6,402.07	
	Revenue from Sale of Products	216.86	-	2,035.77	728.19
	Deposit for Rent	1,500.00	1,500.00		
	Conducting cum Loan & License Fees	1,548.75	-		
	Reimbursement of Expense	1,295.23	-		
	Interest on Deposit	97.84	97.84		
Valiant Laboratories Limited	Purchase of goods or services	1,216.52	(325.00)	643.39	(72.76)
	Deposit for Rent	-	90.59	-	96.00
	Revenue from Sale of Products	320.62		239.74	
	Rent	354.00		354.00	
Alchemie Finechem Limited	Purchase of goods or services	61.35	(57.20)	165.93	-
	Revenue from Sale of Products	2,224.79		1,834.63	55.01
Pinnacle Lifesciences Private Limited	Revenue from Sale of Products	599.43	239.95	480.54	377.19
Aanvi Speciality Chemicals	Purchase of goods or services	187.11	(46.52)	193.95	(25.12)
	Revenue from Sale of Products	-		34.28	
Prozeal Green Energy Private Limited	Purchase of goods or services	79.50	-	8,550.76	(7.11)
Aarti Ventures Private Limited	Interest Income	52.67	-	52.70	-
	Investment	-	738.33	-	738.48
	Loan ICD	-	777.54	-	730.13
Kalpesh Roadlines Limited	Purchase of goods or services	1,153.53	(144.88)		
Aarti Surfactants Limited	Sale of goods or services	180.91	-		
Valiant Advanced Science Pvt Ltd	Purchase of goods or services	21.60	(21.58)		
Bio Fuel Circle Private Limited	Purchase of goods or services	12.65	(7.48)		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Name of related party	Nature of transaction	31st March, 2026		31st March, 2025	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Dhan Vallabh Welfare Foundation	CSR Expenditure	80.00	-		
Aarti Foundation	CSR Expenditure	380.00	-		
Pro-Zeal Green Energy Five Private Limited	Equity Investment	-	6.30	6.30	6.30
	Compulsorily convertible debentures	261.63	261.63		
Amulya Techline Engineers (Div of Dilesh Roadlines Private Limited)	Purchase of goods or services	1,536.82	9.02	1,131.22	(1.16)

The Group has given unsecured loan to Aarti Ventures Private Limited. The loan carries interest rate of 9 % p.a.

39 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUES

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Category-wise classification for applicable financial assets:

(₹ in Lakhs)

Particulars	Current/ NonCurrent	31st March, 2026				31st March, 2025			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets									
Financial assets measured at cost									
Investment in Subsidiaries	Non- Current					-			
Financial assets measured at amortised cost									
Security Deposits	Non- Current	3,542.75				1,402.76			
Loans to Other	Non- Current	777.54				730.13			
Trade Receivables	Current	58,332.44				57,540.47			
Cash on hand	Current	12.26				13.87			
Balance with Banks	Current	840.78				659.50			
Other Fixed Deposits	Current	108.56				191.19			
Loans to employees	Current	49.57				101.44			
Interest Receivable	Current	-				111.42			
		63,663.90				**60,750.78**			
Financial assets measured at fair value through other comprehensive income (FVTOCI)									
Investments in Equity Shares	Non - Current	19,384.77		16,206.60	3,178.18	2,924.06		2,924.06	
Investments in Bonds	Current	-	-			4,756.01	4,756.01		
		19,384.77	**-**	**16,206.60**	**3,178.18**	**7,680.07**	**4,756.01**	**2,924.06**	**-**
Total Financial Assets		**83,048.67**	**-**	**16,206.60**	**3,178.18**	**68,430.86**	**4,756.01**	**2,924.06**	**-**
Financial Liabilities									
Financial liabilities measured at amortised cost									
Long term borrowings - Term Loans from Banks	Non - Current	18,581.14	-	-	-	10,355.56	-	-	-
Long-term maturities of lease obligations	Non - Current	5,217.60	-	-	-	1,166.89	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Current/ NonCurrent	31st March, 2026				31st March, 2025			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Short -term maturities of lease obligations	Current	1,655.09	-	-	-	509.40	-	-	-
Short term borrowings - Working capital loans from Banks	Current	49,982.30	-	-	-	29,279.67	-	-	-
Trade Payables									
- Due to Micro, Small and Medium Enterprises	Current	116.72	-	-	-	1,152.06	-	-	-
- Due to Others	Current	33,337.21	-	-	-	26,630.98	-	-	-
Non Current Financial Liabilities	Non - Current	1,500	-	-	-	770.27	-	-	-
Other Current Financial Liabilities	Current	6,014.97	-	-	-	4,736.90	-	-	-
Financial liabilities measured at FVTPL/ FVTOCI									
Non Current Financial Liabilities	Non - Current	2,435.98	-	-	2,435.98	-	-	-	-
Other Current Financial Liabilities	Current	498.12	-	498.12	-	-	-	-	-
Total Financial Liabilities		**1,19,339.14**	**-**	**498.12**	**2,435.98**	**74,601.72**	**-**	**-**	**-**

Note -

For financial instruments measured at amortised cost, carrying value approximates their fair value

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, listed redeemable preference shares for which sufficient observable market data was not available during the year, etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's Risk Management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's Risk Management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge foreign currency risk and interest rate risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(A) 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 risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. Company's interest rate risk arises from borrowings.

The following table demonstrates the sensitivity on the Group's profit before tax, to a reasonably possible change in interest rates of variable rate borrowings on that portion of loans and borrowings affected, with all other variables held constant:

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25
50 BPS increase would (decrease) the Profit before Tax by	114.46	51.80
50 BPS decrease would increase the Profit before Tax by	(114.46)	(51.80)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts in several currencies and consequently the Group is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The Group also has borrowings in foregin currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are affected as the rupee appreciates/depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

As at the end of the reporting period, the carrying amounts of the foreign currency denominated monetary assets and liabilities set out below, translated at the closing exchange rate of ₹ 94.835 per US$. Derivative financial instruments are excluded and are disclosed separately in (b) below:

(a)

(₹ in Lakhs)

Particulars	31st March, 2026		31st March, 2025	
	Amount in foreign currency	Amount (₹)	Amount in foreign currency	Amount (₹)
Liabilities				
United States Dollar (US$) – borrowings (Note 16)	(459.15)	(43,543.11)	(244.15)	(20,869.60)
United States Dollar (US$) – trade and other payables	(91.1)	(8,639.47)	(55.63)	(4,755.57)
Euro	(0.07)	(2.37)	(0.14)	(12.9)
GBP	(0.11)	(13.74)	-	-
AED	(0.05)	(1.14)	(0.05)	(1.12)
CNY	(0.74)	(9.68)	(0.08)	(0.99)
CHF	(0.58)	(53.13)	0.58	56.13
JPY	-	-	(4.26)	(2.42)
	(551.8)	**(52,262.64)**	**(303.73)**	**(25,586.47)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31st March, 2026		31st March, 2025	
	Amount in foreign currency	Amount (₹)	Amount in foreign currency	Amount (₹)
Assets				
United States Dollar (USD)	335.59	31,825.68	352.72	30,150.31
Euro	0.84	96.7	1.35	124.65
GBP	-	-	-	-
AED	9.1	221.4	23.18	539.28
CNY	3.32	43.92	40.11	471.29
CHF	-	-	-	-
	348.85	**32,187.70**	**417.36**	**31,285.53**
Net foreign currency denominated monetory liability/(asset) (total)				
United States Dollar (USD)	(214.66)	(20,356.90)	52.94	4,525.14
Euro	0.77	94.33	1.21	111.75
GBP	(0.11)	(13.74)	-	-
AED	9.05	220.26	23.13	538.16
CNY	2.58	34.24	40.03	470.3
CHF	(0.58)	(53.13)	0.58	56.13
JPY	-	-	(4.26)	(2.42)
	(202.95)	**(20,074.94)**	**113.63**	**5,699.06**

(b) Derivative financial instruments

Instrument	Notional (FC in lakhs)	Notional (₹ in lakhs)	Carrying amount (₹ in lakhs)	Designation
Forward exchange contracts – hedges of highly probable forecast export sales	US$ 89.50	8,487.73	(498.12)	Cash flow hedge
Target redemption forward	US$ 232.875	22,084.70	(2,972.94)	Not designated – FVTPL

Foreign Currency Risk Sensitivity

The following table sets out the effect of a 0.5% increase / (decrease) in the exchange rate of each foreign currency against the Indian Rupee at the reporting date, with all other variables held constant, on profit before tax. The analysis is applied to the net recognised monetary items set out in (a) above and excludes the effect of changes in the fair value of derivative financial instruments

(₹ in Lakhs)

Particulars	FY 2025-26		FY 2024-25	
	+50 bps	-50 bps	+50 bps	-50 bps
United States Dollar (US$)	(101.78)	101.78	(26.19)	26.19
Euro	0.47	(0.47)	(0.11)	0.11
GBP	(0.07)	0.07	0.05	(0.05)
AED	1.10	(1.10)	2.82	(2.82)
CNY	0.17	(0.17)	0.04	(0.04)
CHF	(0.27)	0.27	0.17	(0.17)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The Group uses forward exchange contracts to hedge foreign-exchange exposures on underlying transactions and firm commitments and does not enter into derivatives for trading or speculation. Hedge accounting (Ind AS 107.22A-24B)

The Group uses forward exchange contracts to hedge foreign-exchange exposures on underlying transactions and firm commitments and does not enter into derivatives for trading or speculation. Outstanding forward contracts hedge US$ 77 Lakhs of highly probable forecast exports (previous year: US$ 101 Lakhs).

Hedge accounting (Ind AS 107.22A-24B). The forward contracts are designated as cash-flow hedges of highly probable forecast US$ sales; an economic relationship exists (critical terms substantially match) and is assessed by the dollar-offset method with a ±5% spot shock, giving a hedge ratio of 1:1 and a prospectively effective hedge. The hedging instruments (US$ 7,700,000, maturing within one year) have a carrying value of ₹ (498.12) Lakhs; the effective portion is deferred in the Cash Flow Hedge Reserve (Note 15(g)) and ineffectiveness recognised in profit or loss.

Derivative not designated as a hedge (FVTPL): the US$/₹ target-redemption forward with Standard Chartered Bank - notional US$ 23,287,500 (₹ 22,084.70 Lakhs), fair value ₹ (2,972.94) Lakhs, a Level 3 measurement. Refer to Notes 39, 40 and 41. The target-redemption forward is not hedge-accounted; its notional amount is disclosed in (b) above for information only. The notional is not a monetary asset or liability of the Group; the Group's exposure arising from the instrument is reflected in its fair value, which is recognised in the Statement of Profit and Loss. Contractual maturities of the notional are US$ 58.50 Lakhs / ₹ 5,547.85 Lakhs within one year and US$ 174.375 Lakhs / ₹ 16,536.85 Lakhs between one and five years, with final settlement in March 2030.

(iii) Equity Price Risk

The Group's investments in listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the price of equity securities held by the Group on the Group's Equity and OCI. These changes would not have an effect on profit or loss.

(₹ in Lakhs)

Particulars	Impact on other components of equity (OCI)	
	FY 2025-26	FY 2024-25
1% increase	193.85	76.80
1% decrease	(193.85)	(76.80)

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. The Group ensures that sales of products are made to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the management. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks.

Refer footnotes c and d below note no.10 for ageing of trade receivables and movement in credit loss allowance.

(C) Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Group have access to undrawn lines of committed borrowing/facilities. The Group invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk. The Group consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(i) Financing arrangements

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25
Secured borrowing facilities		
- Amount Funded used	65,910.09	39,635.23
- Amount Unfunded used	4,604.37	2,392.84
- Amount unused	8,585.54	15,701.93
Total	**79,100.00**	**57,730.00**

(ii) Financing arrangements

Maturity profile of financial liabilities

(₹ in Lakhs)

Particulars	31st March, 2026		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2026			
- Borrowings and future interest thereon	49,982.30	18,581.14	-
- Lease Liabilities	1,655.09	5,046.93	170.67
- Non Current Financial Liabilities	-	3,185.98	750.00
- Trade Payables	33,453.94	-	-
- Current Financial Liabilities	6,513.09	-	-
Total	**91,604.43**	**26,814.05**	**920.67**

Maturity profile of financial liabilities

(₹ in Lakhs)

Particulars	31st March, 2025		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2025			
- Borrowings and future interest thereon	29,279.67	10,355.56	-
- Lease Liabilities	509.40	1,166.89	-
- Non Current Financial Liabilities		750.00	750.00
- Trade Payables	27,783.04	-	-
- Current Financial Liabilities	4,736.90	-	-
Total	**62,309.00**	**12,272.45**	**750.00**

(D) Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Group's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Group. The Group manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25
Borrowings - Current and Non-Current (See Note 16)	68,563.44	39,635.23
Lease obligations - Current and Non-Current (See Note 17)	6,872.69	1,676.29
Less: cash and cash equivalent (See Note 11)	(853.04)	(673.37)
Less: other balances with banks (See Note 12)	(36.94)	(156.27)
Less: current investments (See Note 5.3)	-	(4,756.01)
Net Debts	**74,546.16**	**35,725.86**
Total Equity	2,12,460.47	1,98,990.63
% Net debt to equity ratio	**35.09%**	**17.95%**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

41 OTHER DISCLOSURES

(a) Details of Benami Property Held

The Group does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(b) Relationship With Struck off Companies

No Company in the group has transactions/balance with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956

(c) Willful Defaulter

No Company in the group has been declared a willful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

(d) Registration Of Charges Or Satisfaction With Registrar Of Companies

The Group does not have any charges which are yet to be registered with ROC beyond the statutory period except for working capital ₹ 75 Crores

(e) Details Of Crypto Currency Or Virtual Currency

The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year

(f) The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(g) The Group 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 Group shall:

(i) 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

(ii) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(h) Undisclosed Income

The Group has not had any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(i) Borrowings Obtained on the Basis of Security of Current Assets

For the borrowings secured against current assets, the Group has filed Quarterly statements of current assets with the banks and are not wholly in agreement with the books of account. Refer Note 16.2 for the reconciliation of differences.

(j) Utilisation of Borrowed Funds and Share Premium

As on 31st March, 2026 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(k) Revaluation Of Property, Plant And Equipment And Intangible Assets

The Group has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(l) Compliance With Number of Layers of Companies

The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017

(m) With effect from 1st April, 2025 the Group migrated its books of account from SAP ECC to SAP S/4HANA Public Cloud, a Software-as-a-Service platform hosted, configured and operated by SAP SE application-level audit trail (edit log) capturing the user, date and details of each change remained operational throughout the year for all relevant transactions; a posted financial document cannot be deleted or modified for data points impacting the financial statements, the feature has not been tampered with, and it cannot be disabled by users of the Group.

As the platform is a public-cloud SaaS environment, its configuration and database are managed by the service organisation and users of the Group are not granted database- or super-user-level access. The Group has obtained an independent service auditor's [ISAE 3402/SOC 1] Type 2 report covering the cloud infrastructure and platform controls; this does not specifically address audit-trail maintenance at the configuration and database levels, which are, by the architecture of a public-cloud service, not independently verifiable by the Group. Reliance for these layers is placed on the service organisation and its independent assurance, supplemented by a bridge letter. The Group is obtaining an application-specific report covering audit-trail maintenance for subsequent periods."

(n) Foreign Exchange Derivative Contract

The Group had entered into a target redemption forward contract during the year 2024-25 for hedging anticipated US$ export inflows. The contract is a zero-cost derivative with no cash payments during FY 2024-25 and was inadvertently not included in the fair value calculations made by the Group for that year. The omission was identified during the preparation of the financial statements for FY 2025-26.

Based on a valuation exercise carried out by an expert, the fair value impact as at 31st March, 2025 of ₹ 6.02 Crores (₹ 4.50 Crores net of deferred tax) was not material to the financial statements of FY 2024- 25, and comparative figures have not been restated.

Since the hedge effectiveness of the contract cannot be reliably established, the contract is measured at Fair Value Through Profit and Loss (FVTPL). The fair value impact of ₹ 29.73 Crores (₹ 22.24 Crores net of deferred tax) has been recognised in the Statement of Profit and Loss during the year ended 31st March, 2026.

(o) Exceptional Items

On 21st November, 2025, the Government of India notified the four 'Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Group has assessed gratuity liability and has disclosed the incremental impact of these changes of ₹ 279 Lakhs (Gratuity of ₹ 189.10 Lakhs and leave salary of ₹ 90.39 Lakhs) on the basis of information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Group has presented such incremental impact under "Exceptional item" in the Standalone Statement of Profit and Loss for the year ended 31st March, 2026.

Said incremental impact primarily arises due to change in wage definition. The Group continues to monitor the finalisation of Central/State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect based on such developments as needed.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(p) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors in case of a company, and, by the corresponding approving authority in case of any other entity for issue. Two types of events can be identified:

(i) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(ii) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

As on 25th May, 2026 there were no material subsequent events to be recognised or reported that are not already disclosed.

42 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ASSOCIATES.

(₹ in Lakhs)

Name of Entities	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	31st March, 2026	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Holding Company								
Aarti Pharmalabs Limited	93.30%	1,98,235.06	100.86%	17,620.20	63.33%	(395.11)	102.25%	17,225.09
Total (A)	**93.30%**	**1,98,235.06**	**100.86%**	**17,620.20**	**63.33%**	**(395.11)**	**102.25%**	**17,225.09**
Subsidiaries								
Aarti USA Inc	(0.28%)	(587.06)	(1.22%)	(212.66)	28.40%	(177.20)	(2.31%)	(389.85)
Aarti Pharmachem Limited	0.01%	20.04	0.00%	(0.52)	0.00%		0.00%	(0.52)
Non Controlling interest in All Subsidiaries							0.00%	0.00
Joint Venture								
Ganesh Polychem Limited *	7.63%	16,206.60	4.58%	799.83	8.27%	(51.60)	4.44%	748.24
Inter Company Elimination & Consolidation Adjustments	(0.67%)	(1,414.16)	(4.21%)	(736.11)	0.00%	0.00	(4.37%)	(736.11)
Total (B)	**6.70%**	**14,225.41**	**(0.86%)**	**(149.46)**	**36.67%**	**(228.79)**	**(2.25%)**	**(378.25)**
Consolidated [A + B]	**100.00%**	**2,12,460.47**	**100.00%**	**17,470.74**	**100.00%**	**(623.90)**	**100.00%**	**16,846.84**

**Joint venture in which the Holding Company holds a 50% interest, accounted for using the equity method.*

43 INVESTMENTS IN JOINT VENTURES

1 Accounting Policy for Joint Ventures

The Group has interests in the following joint venture, which is accounted for using the equity method in these financial statements. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. Distributions received from the investee reduce the carrying amount of the investment. The Group has 50% voting rights in the joint venture.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Information about Joint Ventures

Joint Venture Details

Name of Joint Venture entity	Ganesh Polychem Limited
Principal place of business	Udyogkshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai, Maharashtra - 400 080
Country of incorporation	India
Proportion of ownership interest/voting rights	50.00%
Nature of relationship	Manufacturing of Chemicals and Chemical Product
Measurement method	Equity method

Change in Relationship during the year

During the year, the relationship of Ganesh Polychem Limited ("GPL") with the Group has changed from that of a joint operation to a joint venture with effect from 1st April, 2025 (close of business hours of 31st March, 2025), pursuant to the Addendum to the Subscription and Shareholders' Agreement entered into between the Group and Hemant Bandodkar & family (Bandodkars), under which both parties hold an equal stake in GPL and the control and management arrangements in respect of GPL have changed accordingly.

Until 31st March, 2025 the Group recognised its share of the assets, liabilities, income and expenses of GPL. Consequent to the change, the Group has derecognised its share of the assets and liabilities of GPL previously recognised and has recognised an investment in the joint venture at the aggregate carrying amount of the net assets so derecognised, being ₹ 16,016.05 Lakhs, representing 50% of the net worth of GPL as at 31st March, 2025 of ₹ 32,032.10 Lakhs. That amount is the deemed cost of the investment on initial recognition and no gain or loss arises. Ind AS 111 does not prescribe the accounting where a change in the contractual arrangement results in a joint operation being reclassified as a joint venture; the policy applied has been developed in accordance with Ind AS 8 and is set out in the material accounting policies. From that date, the investment in GPL is accounted for using the equity method.

Accordingly, the current year figures are not comparable with those of the previous year, in which the Group's share of the assets, liabilities, income and expenses of GPL was recognised on a line-by-line basis. Comparative figures in the tables below are not applicable, the arrangement having been a joint operation in the comparative period

Summarised Financial Information

The table below provides summarised financial information for Ganesh Polychem Limited. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not the Group's share of those amounts.

(₹ in Lakhs)

Particulars	31st March, 2026
Balance Sheet	
Current assets	
(a) Inventories	4,411.00
(b) Financial Assets	-
(i) Investments	7,821.10
(ii) Trade Receivables	3,901.00
(iii) Cash & Bank Equivalents	35.70
(iv) Bank Balance other than Cash & Cash Equivalents	245.90
(v) Loans	53.77
(c) Other Current Assets	1,833.14
(d) Current Tax Assets (Net)	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31st March, 2026
Non-current assets	
(a) Property, Plant & Equiptment	18,027.14
(b) Capital Work in Progress	152.22
(c) ROU Assets	-
(d) Intangible Assets under development	32.51
(e) Financial Assets	-
(i) Other Financial Assets	70.71
(ii) Loans	1,500.00
(f) Other Non Current Assets	1,482.54
Total Assets	**39,566.72**
Current liabilities	
(a) Financial Liabilities	1,786.26
(i) Short Term Borrowings	2,655.61
(ii) Trade Payables	-
(iii) Lease Liabilities	469.20
(c) Provisions and Other Liabilities	272.17
(d) Current Tax Liabilities (Net)	-
Non-current liabilities	-
(a) Financial Liabilities	-
(i) Long Term Borrowings	-
(ii) Lease Liabilities	1,727.97
(c) Deferred Tax Liabilities (Net)	242.30
(d) Provisions	-
Total Liabilities	**7,153.52**
Net assets	**32,413.20**

Statement of Profit and Loss

(₹ in Lakhs)

Particulars	31st March, 2026
Revenue	26,232.91
Profit/(loss) from continuing operations	1,599.66
Post-tax profit/(loss) from discontinued operations	0.00
Other comprehensive income	(103.19)
Total comprehensive income	1,496.47
Depreciation and amortisation	1,707.32
Other Income	1,031.63
Interest expense	192.04
Income tax expense/(credit)	358.11

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation to Carrying Amounts

(₹ in Lakhs)

Particulars	31st March, 2026 (50% Stake)
Opening net assets	16,016.05
Profit/(loss) for the year	799.83
Other comprehensive income	(51.60)
Less: Dividend received	(557.69)
Other adjustments	-
Closing net assets	16,206.60
Company's share in %	50%
Company's share in ₹	16,206.60
Goodwill	-
Other adjustments	-
Carrying amount	16,206.60

The opening net assets represent the net assets of GPL as at 31st March, 2025, 50% of which, being ₹ 16,016.05 Lakhs was recognised as the deemed cost of the investment on 1st April, 2025.

Share of Profit/(Loss) and Other Comprehensive Income

(₹ in Lakhs)

Particulars	31st March, 2026
Share of profit/(loss)	799.83
Share of other comprehensive income	(51.60)
Share of total comprehensive income	748.24
Dividends received	557.69

44 RATIO ANALYSIS

(₹ in Lakhs)

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasoning
Liquidity Ratio						
Current Ratio	Current Assets	Current Liabilities = Total current liabilities - Current maturities of non-current borrowings and lease obligations	1.59	2.03	(21.78%)	Not Applicable
Solvency Ratio						
Net DebtEquity ratio	Net debt = Non-current borrowings + Current borrowings - Current investments - Cash and cash equivalents - Other balances with banks	Total Shareholder's Equity	0.35	0.18	95.44%	Increase in Borrowing due to term loan taken during the year for capex
c) Debt Service Coverage Ratio	Earnings before interest, tax, Depreciation & Amortisation	Total debt service = [Interest on Borrowing+ Principal Repayment]	6.95	14.36	(51.60%)	Due to increase in finance cost Pertaining to new borrowings and reduction in net profit compare to previous year

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasoning
Profitability ratio						
Net Profit Ratio	Profit after tax	Revenue from operations	9.60%	12.88%	(25.44%)	Decrease in Net Profit due to Increased Depreciation cost, Finance cost and Forex Loss.
Return on Equity Ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	8.49%	14.54%	(41.59%)	The return on equity has reduced on account of decrease in net profit tax as compared to previous year
Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Assets - Current Liabilities	11.46%	18.74%	(38.85%)	Decrease in EBIT due mainly to Depreciation, Forex Loss and increase in Long Term Borrowings to fund Capex.
Return of Investment	Earnings before interest and tax	Average total assets	9.78%	15.59%	(37.26%)	Due to decrease in EBIT mainly on account of increased Depreciation & Forex Expenses. The Assets also increased due to Capex.
Utilisation Ratio						
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	1.36	1.75	(22.30%)	Not Applicable
Trade Receivables Turnover Ratio	Revenue from Sale of Products and Services	Average Trade Receivable	3.09	3.81	(19.03%)	Not Applicable
Trade Payable Turnover Ratio	Net Credit Purchases & other expenses	Average Trade Payable	4.15	4.96	(16.43%)	Not Applicable
Net Capital Turnover Ratio	Revenue from Operations	Average Working capital = Current assets – Current liabilities	3.24	3.21	0.67%	Not Applicable

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

Place: Mumbai
Date: 25th May, 2026

CIN: L24100GJ2019PLC110964
Regd. Off.: Plot No 22/C/1 & 22/C/2, GIDC, Vapi - 396195, Dist. Valsad, Gujarat
Website: www.aartipharmalabs.com **Email:** investorrelations@aartipharmalabs.com
Telephone: +91 226797 6697

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Seventh Annual General Meeting ("7th AGM") of the Members of Aarti Pharmalabs Limited will be held on **Tuesday, September 22, 2026 at 11:00 A.M. IST**, through Video Conferencing ("VC")/ 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 at Plot No. 22/C/1 & 22/C/2, GIDC, Vapi - 396195, Dist. Valsad, Gujarat.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2026 together with the Reports of the Board of Directors and Auditors' thereon.

2. To declare a final dividend of ₹ 2/- (Rupees Two only) per Equity Share of Face Value of ₹ 5/- each for the financial year ended March 31, 2026.

3. **Retirement by Rotation**

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

   "**RESOLVED THAT** pursuant to Section 152 of the Companies Act, 2013, Shri Rajendra V. Gogri (DIN: 00061003), Non-Executive Director liable to retire by rotation at this 7th Annual General Meeting and who has not offered himself for re-appointment, be not re-appointed as a Director of the Company.

   RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company, be not filled."

SPECIAL BUSINESS:

4. **To ratify remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2027**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) re-enactment(s) thereof for the time being in force), the remuneration of ₹ 2,75,000 (Rupees Two Lakh Seventy-Five Thousand Only) per annum plus taxes, as applicable, and reimbursement of out of pocket expenses to be paid to Smt. Ketki D. Visariya, Cost Accountant (Membership Number: 16028), being the Cost Auditor appointed by the Board of Directors of the Company on the recommendation of the Audit Committee to conduct audit of the cost records of the Company for the Financial Year ending March 31, 2027, be and is hereby ratified;

   RESOLVED FURTHER THAT the existing Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **To approve change in designation of Smt. Hetal Gogri Gala (DIN: 00005499) from Managing Director to Whole-time Director of the Company with effect from October 1, 2026**

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

   "**RESOLVED THAT** pursuant to provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder read with Schedule V of the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company ("Board"), the consent of the Members of the Company be and is hereby accorded for the change in designation of Smt. Hetal Gogri Gala (DIN: 00005499) from Managing Director to Whole-time Director of the Company, liable to retire by rotation, with effect from October 1, 2026 for a period of 5 years, upon the terms and conditions, including remuneration, perquisites and other benefits, as set out in the explanatory statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the payment of remuneration to Smt. Hetal Gogri Gala (DIN: 00005499), Whole-time Director of the Company with effect from October 1, 2026, be and is hereby approved and is subject to and in compliance with Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT pursuant to the aforesaid change in designation effective October 1, 2026, the existing term of office of Smt. Hetal Gogri Gala as Managing Director shall stand terminated with effect from the close of business hours on September 30, 2026.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorized vary, alter , modify, revise the remuneration payable to Smt. Hetal Gogri Gala (DIN: 00005499), including to determining the annual increment and gross remuneration payable to subject to such amounts not exceeding the limits set out in the explanatory statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the existing Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient, to give effect to the aforesaid resolution."

6. **To approve the appointment of Shri. Rashesh C. Gogri (DIN:00066291) as the Managing Director pursuant to change in his designation from Non-Executive Director to Managing Director of the Company with effect from October 1, 2026**

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

"**RESOLVED THAT** pursuant to the provisions of Section 2(54), 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act 2013 ("the Act") read with Schedule V and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company ("Board"), the consent of the Members of the Company be and is hereby accorded for appointment of Shri Rashesh C. Gogri (DIN: 00066291) as the Managing Director of the Company pursuant to the change in his designation from Non-Executive Director to Managing Director of the Company with effect from October 1, 2026 for a period of 5 years, upon the terms and conditions, including remuneration, perquisites and other benefits, as set out in the explanatory statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the payment of remuneration to Shri Rashesh C. Gogri (DIN: 00066291), Managing Director of the Company, be and is hereby approved and is subject to and in compliance with Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to vary, alter, modify, revise the remuneration payable to Shri Rashesh C. Gogri (DIN: 00066291) including determining the annual increment and gross remuneration subject to such amounts not exceeding the limits set out in the explanatory statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the existing Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as may be considered necessary, usual or expedient, to give effect to the aforesaid resolution."

By order of the Board
For Aarti Pharmalabs Limited

Jeevan Mondkar
Company Secretary and Legal Head
ICSI M. No. A22565

Registered Office:
Plot No 22/C/1 & 22/C/2, GIDC,
Vapi - 396195, Dist. Valsad, Gujarat

Place: Mumbai
Date: August 7, 2026

NOTES

1. Pursuant to General Circular No. 20/2020 dated May 05, 2020 read with other relevant Circulars including 03/2025 dated September 22, 2025 issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as MCA Circulars'), the Company is convening the Annual General Meeting ('AGM') through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM'), without the physical presence of the Members. The deemed venue for the 7th AGM shall be the Registered Office of the Company.

   The video recording and the transcript of the AGM shall be made available on the website of the Company. National Securities Depository Limited ("NSDL") will be providing facilities for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the businesses under Item Nos. 3 to 6 of the Notice, is annexed hereto. Further, the relevant details with respect to Item Nos. 5 and 6 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), in respect of Directors seeking appointment/re-appointment/re-designation at this AGM are also annexed.

3. In accordance with MCA Circulars and SEBI Circulars, the Notice of the 7th AGM ("Notice") along with the Annual Report for FY 2025-26 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants ('DPs') / Depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), unless any Member has requested a physical copy of the same. A letter providing the web-link, including the exact path, where the Annual Report for FY 2025-26 shall be available is being sent to Members who have not registered their e-mail addresses with the Company/DP/Depositories. The Members who wish to have a physical copy of the Annual Report can request for the same by writing an email at investorrelations@aartipharmalabs.com mentioning their Folio No. / DP ID and Client ID. Members may note that the Notice and Annual Report for FY 2025-26 will also be available on the Company's website at https://www.aartipharmalabs.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on the website of NSDL at www.evoting.nsdl.com.

   All documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days during 11:00 AM to 1:00 PM. Members can request the same till the date of the AGM.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. 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 proxy(ies) by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.

5. Pursuant to Section 113 of the Act, Institutional shareholders/corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/ Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to jpc@mehta-mehta.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

6. **Final Dividend for FY 2025-26:**

   The Board of Directors at its meeting held on May 25, 2026 has recommended a final dividend of ₹ 2.00 (i.e. 40%) per equity share of face value of ₹ 5/- each. The Record date fixed for determining entitlement of Members to final dividend for the financial year ended March 31, 2026, if approved at the AGM, is Tuesday, September 15, 2026.

   If the final dividend is approved at the AGM, payment of such dividend subject to deduction of tax at source ("TDS") will be made on October 20, 2026 to all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the Depositories, as of close of business hours on Tuesday, September 15, 2026.

7. TDS on dividend

As per the Income Tax Act, 2025 ("the IT Act"), dividends paid or distributed by the Company are taxable in the hands of the shareholders. Accordingly, companies are required to deduct tax at source from dividends paid to shareholders.

The rate of deduction of tax depends on:

a. Residential status of the shareholder

b. Valid tax registration (PAN or equivalent tax payer identification)

c. The documents/declarations submitted by the shareholder and accepted by the Company.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. for shares held in electronic form: to their Depository Participants ("DPs").

9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

10. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 (updated as per Master Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2024/37 dated May 07, 2024) mandated listed companies to issue securities in dematerialised form only.

    In view of this, all securities issued by the Company are in dematerialised form. Pursuant to the Scheme of Arrangement under Section 230 - 232 of the Act, which was sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order September 21, 2022 and was effective from October 17, 2022 ("Scheme"), the Company had issued equity shares to eligible Members of Aarti Industries Limited ("AIL") as per the share entitlement ratio defined in the Scheme.

    In line with the above mandate from SEBI, shares of the Company which were allotted to Members of Aarti Pharmalabs Limited ("APL") pursuant to the Scheme, who held equity shares in physical form, were credited into Demat Suspense Account opened and maintained by the Company for this purpose. The Company through its RTA, on receipt of requisite documents from the said Member(s), credits the equity shares to their respective demat account(s) after due validation.

    In order to do so, or for applying for transfer of shares pursuant to transmission/transposition/name change/ name deletion, Members are requested to submit the form Schedule 1 'Application to claim shares from Demat Account' or form Schedule 2 'Application for transfer of Shares from Demat Account of APL to the demat account of the Members pursuant to transmission/ transposition/name change/ name deletion' along with the documents as mentioned in the forms, to the Registrar and Share Transfer Agent ("RTA") i.e. MUFG Intime India Private Limited at their registered office at C- 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083.

    Further, Members whose shares are lying in the Demat Account of the Company, in the absence of demat account details with the Company, the KYC compliances applicable to them remain pending for their folio. Please note that this will impact corporate benefits such as dividend. Accordingly, in order for said dividends to be credited to your bank account, updated KYC details including bank account details will need to be updated in the Company records. This can be done upon credit of your shares lying in the Demat Suspense Account to your own demat account.

    Members can contact MUFG Intime India Private Limited for further assistance in this regard.

11. In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialised form. Members can contact the Company or MUFG Intime India Private Limited, for assistance in this regard.

12. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://www.aartipharmalabs.com/faq and on the website of the RTA at https://web.in.mpms.mufg.com/KYC-downloads.html

13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will only be entitled to vote during the AGM.

14. SEBI has introduced Online Dispute Resolution ("ODR") portal for dispute resolution in addition to the existing SEBI Complaints Redress System ("SCORES") platform, which can be utilised by the investors and the Company for dispute resolution. The SMART ODR Portal can be accessed at: https://smartodr.in/login.

    Pursuant to above post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the SMART ODR Portal.

15. Members are requested to note that dividends, if not encashed for a period of seven (7) years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for seven (7) consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

    The Members whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the IEPF-5 form for claiming the dividend and/ or shares available on www.iepf.gov.in.

16. Instructions for e-voting and joining the AGM are as follows:

    1. the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 03, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold EGM/ AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, EGM/AGM shall be conducted through VC / OAVM.

    2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.

    3. The Members can join the EGM/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 EGM/ AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

    4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

    5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the SS-2 issued by the ICSI and Regulation 44 of Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.

    6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.aartipharmalabs.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock

Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/ AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. Ms. Monali Bhandari, Practicing Company Secretary (Membership No. ACS 27091) has been appointed as the Scrutinizer's to issue the Scrutinizer report on the e-voting process in a fair and transparent manner. The Scrutinizer shall submit her report of the total votes cast in favour or against, within two working days of the conclusion of the 7th AGM, to the Chairman or Managing Director, who shall countersign the same and declare the results forthwith. The results shall be intimated to the Stock Exchanges and placed on the Company's website of the Company and the resolutions deemed to be passed at the 7th AGM of the Company.

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

The remote e-voting period begins on Saturday, September 19, 2026 at 9:00 A.M. and ends on Monday, September 21, 2026 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, September 15, 2026 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, September 15, 2026.

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

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

Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

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

General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorrelations@aartipharmalabs.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@aartipharmalabs.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. **Registration of Speaker at the Annual General Meeting**

   Shareholders who would like to express their views or ask questions may register themselves as a speaker by sending the request along with their queries in advance mentioning their name, demat account number / folio number, PAN, E-mail ID and mobile number at investorrelations@aartipharmalabs.com at least five (5) days before the date of AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By order of the Board
For Aarti Pharmalabs Limited

Registered Office:
Plot No 22/C/1 & 22/C/2, GIDC,
Vapi - 396195, Dist. Valsad, Gujarat

Jeevan Mondkar
Company Secretary and Legal Head
ICSI M. No. A22565

Place: Mumbai
Date: August 7, 2026

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

The following statement sets out all material facts relating to the Businesses under Item Nos. 3 to 6 mentioned in the accompanying Notice of AGM dated August 07, 2026.

Item No. 3: To take note of the retirement of Shri Rajendra V. Gogri (DIN: 00061003), Non-Executive Director, who retires by rotation and has expressed his desire to not seek re-appointment

Pursuant to the provisions of Section 152 of the Act and the Articles of Association of the Company, Shri Rajendra V. Gogri (DIN: 00061003), is due to retire by rotation at the ensuing 7th Annual General Meeting of the Company to be held on Tuesday, September 22, 2026.

However, on account of personal commitments he has expressed his desire to not offer himself for re-appointment at the ensuing AGM. As per the provisions of section 152 of the Act, at the AGM at which a director retires, the Company may fill up the vacancy by appointing the retiring director or some other person thereto. The Board having taken note of the above, and requirements of the law, has resolved, subject to approval of members, not to fill the resulting vacancy on the Board, post the cessation of Shri Rajendra V. Gogri (DIN: 00061003) as a director after the conclusion of the 7th AGM. Accordingly, the vacancy caused by Shri Rajendra V. Gogri's retirement is not proposed to be filled at the AGM, or any adjournment thereof. Further, subsequent to his retirement, the composition of the Board shall be in conformity with the applicable provisions of the Act and Regulation 17 of the Listing Regulations.

The Board recommends this ordinary resolution set out in **Item No. 3** of the Notice for consideration and approval of the members.

Except Shri Rajendra V. Gogri, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Shri Rajendra V. Gogri may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

Item No. 4: Ratification of remuneration payable to the Cost Auditors for the Financial Year 2026-27

Pursuant to Section 148 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint cost auditor to audit the cost records of the Company.

On the recommendation of Audit Committee, the Board of Directors at its meeting held on May 25, 2026 had approved the appointment of Smt. Ketki D. Visariya, Cost Accountant (Membership Number: 16028), at a remuneration of ₹ 2,75,000 /- (Rupees Two lakh Seventy-Five Thousand Only) per annum plus taxes as applicable. Smt. Ketki D. Visariya has confirmed her eligibility for appointment as Cost Auditor.

Pursuant to the Act and Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

The Board recommends the Ordinary Resolution at **Item No. 4** for approval of Members.

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

Item No. 5: Approval for change in designation of Smt. Hetal Gogri Gala (DIN: 00005499) from Managing Director to Whole-time Director of the Company with effect from October 1, 2026

The Board of Directors of the Company, at its meeting held on August 07, 2026, on the recommendation of the Nomination and Remuneration Committee ("NRC") has approved the change in designation of Smt. Hetal Gogri Gala (DIN: 00005499) from Managing Director to Whole-time Director of the Company with effect from October 1, 2026, subject to the approval of the Members and such other approvals as may be required, in accordance with the provisions of Sections 196, 197, 198 read with Schedule V of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Smt. Hetal Gogri Gala (DIN: 00005499) was appointed as Non-Executive Director by the members of the Company in their meeting held on September 27, 2021. Further, the members of the Company had approved the appointment of Smt. Hetal Gogri Gala as the Managing Director of the Company for a period 5 (Five) years w.e.f. October 17, 2022.

Smt. Hetal Gogri Gala is a Graduate in Electronics Engineering and has completed MEP from IIM-Ahmedabad and possesses a degree in supply chain management. She has around 23 years of experience in the Chemical Industry. She has rich and vast experience in the portfolios of Purchase, Supply Chain Management, HR & Administration.

Smt. Hetal Gogri Gala has confirmed her eligibility to act as a Director and she is not debarred from holding office of Director by virtue of any SEBI Order or any other such authority.

Now, Smt. Hetal Gogri Gala has expressed her willingness to step down from the position of Managing Director effective October 1, 2026 and expressed her intention and full support in facilitating the Company's future leadership transition by proposing change in role of Shri. Rashesh C. Gogri (DIN:00066291) from Non-Executive Director to Managing Director of the Company with effect from October 1, 2026. The proposed change is intended to facilitate an

orderly leadership transition while ensuring continuity in the Company's strategic direction and operations.

The Board of Directors are of the opinion that her association as a Whole-time Director would be of immense benefit to the Company and it is desirable to continue to avail her services. Accordingly, in terms of the requirements of the provisions of Companies Act, 2013, approval of the members of the Company is required for approving change in designation of Smt. Hetal Gogri Gala as the Whole-time Director of the Company, liable to retire by rotation, for a period of 5 years effective October 1, 2026. Also, she shall continue to be the Vice-Chairperson of the Company consequent to change in her designation effective October 1, 2026.

Further, pursuant to the provision of section 197 of the Act read with provisions of SS-2, the key terms of appointment are provided hereunder:

Sr. No.	Particulars	Details	
	Remuneration		
		From October 1, 2026	**@Ceiling upto end of term of appointment**
1	Salary	₹ 130 lakhs p.a. (effective October 1, 2026)	Yearly revisions, within the overall ceiling limit of ₹ 200 lakhs shall be paid subject to approval of the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee
2	Commission*	Eligible for share in commission upto 3% of Net Profits calculated in the manner referred to in Section 198 of the Act, in aggregate for all Executive Directors. The commission may be payable on quarterly basis.	
3	Perquisites/allowances	As detailed below	

**The share/percentage of the eligibility shall be decided by the Board of Directors based upon the contributions made to the growth of the Company and in accordance with the recommendations of the Nomination and Remuneration Committee.*

Perquisites/allowances: In addition to Salary and Commission, the Whole Time Director shall be entitled to the following perquisites/ allowances: House rent allowance, reimbursement of medical expenses and medical insurance premiums for self and family, leave travel allowance, fees of clubs, telephone and internet facilities at residence and mobile phone facility, personal accident insurance, bonus, ex-gratia incentives, assignment of key man or other insurance policies obtained by the Company, contribution to National Pension Scheme and such other perquisites and special allowances as may be determined by the Board of Directors from time to time.

Whole Time Director shall also be entitled to following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

(i) Contribution to Provident Fund as per the rules of the Company. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at rate not exceeding half a month's salary for each completed year of service; and

(iii) Encashment of leave at the end of the tenure.

(iv) Provision of car for business of the Company and telephone at residence shall not be treated as perquisites.

Explanation: For the purpose of this agreement "family" means the spouse, the dependent children and dependent parents of the Managing Director.

(v) The perquisites and allowances together with the salary and commission payable as aforesaid shall be restricted to and be subject to the applicable overall maximum ceiling limit set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 are given in **Annexure-I** annexed herewith.

Except Smt. Hetal Gogri Gala and Shri Rashesh C. Gogri, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Smt. Hetal Gogri Gala may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

Smt. Hetal Gogri Gala belongs to the promoter group of the Company. The Board of Directors recommends passing of the resolution as set out in **Item no. 5** of this Notice as a Special Resolution.

Item No. 6: Approval for appointment of Shri. Rashesh C. Gogri (DIN:00066291) as the Managing Director pursuant to change in his designation from Non-Executive Director to Managing Director of the Company with effect from October 1, 2026

The Board of Directors of the Company, at its meeting held on August 07, 2026, on the recommendation of the Nomination and Remuneration Committee ("NRC") have approved the change in designation of Shri Rashesh C. Gogri (DIN: 00066291) from Non-Executive Director to Managing Director of the Company, subject to the approval of the Members and such other approvals as may be required, in accordance with the provisions of Sections 2(54), 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Rashesh C. Gogri was initially appointed as an Additional Non-Executive Director on August 7, 2021 and his appointment was subsequently regularized by the Members at their meeting held on September 27, 2021. He was appointed as the Chairman of the Company with effect from August 7, 2021 and is currently a member of various Board Committees, including the Nomination and Remuneration Committee, Risk Management Committee and Finance and Investment Committee.

In view of his continued association with the Company, his leadership role and valuable contributions over the years, it is proposed to designate him as the Managing Director of the Company with effect from October 1, 2026. Thus, as a part of restructuring the Board composition, the Board of Directors upon the recommendation of the Nomination & Remuneration Committee has approved redesignation of Shri Rashesh C. Gogri as the Managing Director of the Company effective October 1, 2026. Further, he shall continue to be the Chairman of the Company consequent to change in his designation effective October 1, 2026.

Shri Rashesh C. Gogri graduated in Production engineering from the Mumbai University. He has around 29 years of experience in the chemical industry. He has played a key role in the Company's growth and overall business performance of various strategic business units in the chemicals & pharma segment. Over the years his role has expanded significantly to encompass broader leadership responsibilities across the Company. Also, he holds directorships across various listed and unlisted entities.

Shri Rashesh C. Gogri is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent and other requisite statutory declarations to act as a Managing Director and has not been debarred or disqualified from being appointed as a Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority and he satisfies all the conditions as set out in Part-I of Schedule V to the Act and under Section 196(3) of the Act for being eligible to be appointed as the Managing Director of the Company.

The NRC and Board after evaluating and considering his qualifications, extensive experience and proven expertise in the business and his contribution to the growth of the Company have approved his elevation from the position of Non-Executive Director to Managing Director of the Company. The Board and NRC are of the view that the elevation of Shri Rashesh C. Gogri as the Managing Director will be in the best interest of the Company.

Further, pursuant to the provision of section 197 of the Act read with provisions of SS-2, the key terms of appointment are provided hereunder:

Sr. No.	Particulars	Details	
	Remuneration		
		From October 1, 2026	**@Ceiling upto end of term of appointment**
1	Salary	₹ 175 lakhs p.a. (effective October 1, 2026)	Yearly revisions, within the overall ceiling limit of ₹ 300 lakhs shall be paid subject to approval of the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee
2	Commission*	Eligible for share in commission upto 3% of Net Profits calculated in the manner referred to in Section 198 of the Act, in aggregate for all Executive Directors. The commission may be payable on quarterly basis.	
3	Perquisites/allowances	As detailed below	

**The share/percentage of the eligibility shall be decided by the Board of Directors based upon the contributions made to the growth of the Company and in accordance with the recommendations of the Nomination and Remuneration Committee.*

Perquisites/allowances: In addition to Salary and Commission, the Managing Director shall be entitled to the following perquisites/ allowances: House rent allowance, reimbursement of medical expenses and medical insurance premiums for self and family, leave travel allowance, fees of clubs, telephone and internet facilities at residence and mobile phone facility, personal accident insurance, bonus, ex-gratia incentives, assignment of key man or other insurance policies obtained by the Company, contribution to National Pension Scheme and such other perquisites and special allowances as may be determined by the Board of Directors from time to time.

Managing Director shall also be entitled to following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

(i) Contribution to Provident Fund as per the rules of the Company. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at rate not exceeding half a month's salary for each completed year of service; and

(iii) Encashment of leave at the end of the tenure.

(iv) Provision of car for business of the Company and telephone at residence shall not be treated as perquisites.

Explanation: For the purpose of this agreement "family" means the spouse, the dependent children and dependent parents of the Managing Director.

(v) The perquisites and allowances together with the salary and commission payable as aforesaid shall be restricted to and be subject to the applicable overall maximum ceiling limit set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 on General Meetings issued by the Institute of Company Secretaries of India are given in **Annexure-I** annexed herewith.

Additionally, Shri Rashesh C. Gogri is currently a Vice-Chairman and Managing Director of Aarti Industries Limited upto September 30, 2026. Effective October 1, 2026, he shall continue as a Non-Executive Director and Vice-Chairman of Aarti Industries Limited. Currently, he is also a Managing Director on the Board of Aarti Drugs Limited.

Except Shri Rashesh C. Gogri and Smt. Hetal Gogri Gala, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Shri Rashesh C. Gogri may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

Shri Rashesh C. Gogri belongs to the promoter group of the Company. The Board of Directors recommends passing of the resolution as set out in **Item No. 6** of this Notice as a Special Resolution.

By order of the Board
For Aarti Pharmalabs Limited

Jeevan Mondkar
Company Secretary and Legal Head
ICSI M. No. A22565

Registered Office:
Plot No 22/C/1 & 22/C/2, GIDC,
Vapi - 396195, Dist. Valsad, Gujarat

Place: Mumbai
Date: August 7, 2026

Annexure-I

Information as required under Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") is given hereunder:

Name of Director & DIN	Shri Rashesh C. Gogri DIN:00066291	Smt. Hetal Gogri Gala DIN: 00005499
Date of Birth (Age)	June 3, 1974 (52 years)	July 10, 1975 (51 years)
Nationality	Indian	Indian
Date of First Appointment on the Board	August 7, 2021	August 7, 2021
Qualification(s)	Production Engineer from Mumbai University	Graduate in Electronics Engineering MEP from IIM Ahmedabad Degree in Supply Chain management
Experience and expertise in specific functional areas	Shri Rashesh C. Gogri has around 29 years of experience in the chemical industry. He has played a key role in the growth of various strategic business units in the chemicals & pharma segment.	Smt. Hetal Gogri Gala has around 23 years of experience in the Chemical Industry. She has rich and vast experience in the portfolios of Purchase, Supply Chain Management, HR & Admin
No. of Shares held in the Company as on the date of appointment including shareholding as a beneficial owner	38,34,404 Equity shares (4.23%)	28,15,612 Equity shares (3.11%)
Directorships held in other Companies	1. Aarti Industries Limited - (Vice Chairman and Managing Director upto September 30, 2026 and Non-Executive Director effective October 1, 2026) 2. Aarti Drugs Limited - Managing Director 3. Anushakti Enterprise Private Limited 4. Alchemie Dye Chem Private Limited 5. Alchemie Multichem Private Limited 6. Alchemie Financial Service Limited 7. Gogri Finserv Private Limited 8. Crystal Millennium Realtors Private Limited 9. Alabhya Trusteeship Private Limited 10. Saswat Trusteeship Private Limited 11. Vahal Welfare Foundation 12. Saykha Multichem Private Limited 13. Aarti Chemical Trading- FZCO (Dubai)	1. Aarti Industries Limited 2. Alchemie Dye Chem Private Limited 3. Gogri Finserv Private Limited 4. Anushakti Enterprise Private Limited 5. Alabhya Trusteeship Private Limited 6. Saswat Trusteeship Private Limited 7. Alchemie Financial Services Limited 8. Alchemie Multichem Private Limited 9. Vahal Welfare Foundation 10. Aarti Nature Care Private Limited 11. Saykha Multichem Private Limited

Chairman/Member Committee of Boards of other Companies in which he is a Director	**Aarti Industries Ltd** Member - Audit Committee Member - Stakeholders Relationship Committee Member - Risk Management Committee Member - Finance and Investment Committee **Aarti Drugs Limited** Member - Audit Committee Member - Corporate Social Responsibility Committee Member - Risk Management Committee Member - Finance and Investment Committee **Aarti Pharmalabs Limited** Member - Nomination and Remuneration Committee Chairman- Risk Management Committee Chairman- Finance and Investment Committee	**Aarti Industries Ltd** Chairperson - Corporate Social Responsibility Committee Chairperson - Stakeholders Relationship Committee Member - Risk Management Committee Member - Finance and Investment Committee **Aarti Pharmalabs Limited** Chairperson - Corporate Social Responsibility Committee Member - Audit Committee Member - Risk Management Committee Member - Finance and Investment Committee
Name of listed entities from which the person has resigned in the past three years	None	None
No of Board Meetings attended during FY 2025-26	5 of 5	5 of 5
Disclosure of Relationship between Director Inter-se, Managers and other KMPs of the Company	Shri Rashesh C. Gogri and Smt. Hetal Gogri Gala are related to each other as brother and sister	Smt. Hetal Gogri Gala and Shri Rashesh C. Gogri are related to each other as sister and brother
Remuneration sought to be paid and terms and conditions for appointment/ re-appointment/re-designation	As detailed in the explanatory statement	As detailed in the explanatory statement
Remuneration last drawn	During FY 2025-26, Shri Rashesh C. Gogri was paid the following remuneration: • Commission: ₹ 6.59 Lakhs • Sitting Fees: ₹ 2.20 Lakhs • Total Remuneration: ₹ 8.79 Lakhs	During FY 2025-26, Smt. Hetal Gogri Gala was paid the following remuneration: • Salary: ₹ 118.49 Lakhs • Commission: ₹ 651.84 Lakhs • Total Remuneration: ₹ 770.33 Lakhs
Confirmation in compliance with SEBI letter dated June 14, 2018, read along with Exchange circular dated June 20, 2018	Shri Rashesh C. Gogri is not debarred from holding the office of director pursuant to any SEBI order or any other authority.	Smt. Hetal Gogri Gala is not debarred from holding the office of director pursuant to any SEBI order or any other authority.

NOTES

Registered Office

Plot No 22/C/1 & 22/C/2, 1st Phase,
GIDC Vapi - 396 195 Valsad, Gujarat

Corporate Office

Aarti Pharmalabs Limited
Embassy Park 247, Tower C, 401, 4th Floor,
LBS Marg, Vikhroli (W), Mumbai - 400 083,
Maharashtra, India

Website: www.aartipharmalabs.com

BSE Code: 543748
NSE Symbol: AARTIPHARM
CIN: L24100GJ2019PLC110964