Aarti Drugs Limited

A Stronger Foundation. A Better Future.



Annual Report 2025-26

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Investor Information

Equity ISIN	INE767A01016
CIN	L37060MH1984PLC055433
BSE Code	524348
NSE Symbol	AARTIDRUGS
AGM Date	September 26, 2026
AGM Venue/Mode	VC/OAVM



Disclaimer:

This document contains statements about expected future events and financials of Aarti Drugs Limited ('Aarti Drugs'), '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 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.

For more investor-related information, please visit:
https://www.aartidrugs.com/

Or simply scan the QR code:

A Stronger Foundation. A Better Future.

FY 2025-26 was a year in which Aarti Drugs began translating several years of capability-building into a more integrated platform for growth. Investments across manufacturing, backward integration, regulatory readiness, portfolio expansion and financial discipline are increasingly coming together to support the next phase of the business.

The Sayakha facility commenced commercial production during the year, adding methylamines to the Company's manufacturing chain and further strengthening the integration of its Metformin portfolio. At Tarapur, Salicylic Acid production scaled beyond 300 tonnes per month, creating a stronger base for further portfolio integration. During the year, USFDA, UK MHRA and EU GMP approvals expanded the Company's readiness to serve regulated markets, which contributed 73% of revenues during the year. The upcoming 24.4 MWp solar power project further advances the Company's transition towards captive renewable energy. These initiatives, together with a record-low debt-to-equity ratio, reflect the Company's disciplined approach to capital deployment while continuing to invest in long-term growth and operational capabilities.

This progress has strengthened what Aarti Drugs can manufacture, where it can operate and how effectively it can execute. Against pricing pressures, geopolitical disruptions and elevated input costs, this ability to build greater integration, market access and operating flexibility provides a stronger platform for the future.



Key Highlights of the Year

Momentum in Motion

FY 2025-26 marked an important transition for Aarti Drugs as years of strategic investments began translating into tangible operational progress. From ramping up the Sayakha facility to stabilising the Tarapur Salicylic Acid plant, expanding regulated market revenues and securing key global regulatory approvals, the Company strengthened the capabilities that will drive its next phase of growth.

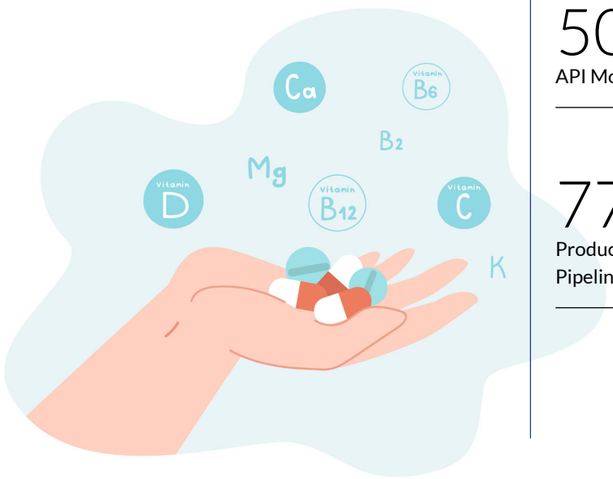
Financial

₹2,568 Crores
Total Revenue

~38%
Export Revenue

₹312 Crores
EBITDA

₹195 Crores
PAT



Operational

14
Manufacturing Facilities

1,59,500+
Sq. m. Plant Area

80+
Finished Products

6,876 MT
Monthly Capacity

50+
API Molecules

77
Products Under Development/ Pipeline (API + Finished Dosages)



Sustainability

11
Zero Liquid Discharge (ZLD) Facilities

~2,200+
Employees

50,000+
Lives Impacted through Our CSR Activities

(Note: The numbers are on consolidated basis)

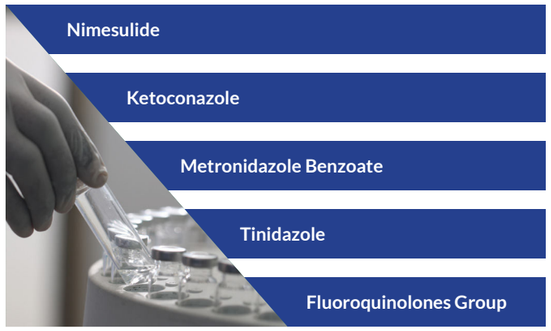


Corporate Snapshot

Turning Potential into Progress

With over four decades of experience and an established presence across APIs, pharmaceutical intermediates, specialty chemicals and formulations, Aarti Drugs Limited ('Aarti Drugs', 'ADL', 'We' or 'The Company') is a leading pharmaceutical manufacturer. Backed by integrated manufacturing facilities, internationally recognised regulatory accreditations and strong in-house R&D capabilities, the Company continues to strengthen process efficiencies, advance product development and deliver high-quality solutions across regulated and semi-regulated markets.

Global Leadership









Our Mission

- Seek global market leadership
- Focus on growth and development of the product
- Continue to create winning culture, operating in highest standards of ethics and values with co-operation among competitors
- Strive for excellence in customer service, quality and R&D

Our Vision

We shall become the first-choice vendor of bulk drugs and achieve a leadership position by:

- Assuring consistent quality and timely delivery at competitive price
- Providing customised solutions and service to meet changing requirements of customers
- Aim at customer orientation through continuous technology upgrade, high business ethics, and new product development
- Adopt processes supported by proven technologies, which are cost effective and safe
- Choose the best and the most flexible manufacturing practices and methods

Certifications

- ISO 9001: 2015 - Quality Management System
- ISO 14001:2015 - Environmental Management System
- ISO 45001:2018 - Occupational Health and Safety Management System
- WHO - GMP
- EU GMP
- K-FDA
- ISO 27001:2022 - Information Security
- ANVISA - Brazil
- COFEPRIS - Mexico
- Australian Government Certified
- Japanese Accreditation
- USFDA Accreditation
- EcoVadis (Sustainability Rating)

Our Presence

Growing across Global Markets

Our global presence has been shaped by more than geographical expansion; it has been built on consistent quality, reliable execution and the ability to meet the evolving requirements of customers across diverse markets. Today, we serve customers in more than 100 countries, with a growing presence in regulated markets supported by expanding customer relationships, a strengthening formulations business and globally recognised regulatory approvals.

Manufacturing Facilities

Himachal Pradesh

Baddi
(Formulation Plant of Pinnacle Life Science Private Limited)

Gujarat

Sarigam - 2 Locations (API Plant)
Sayakha

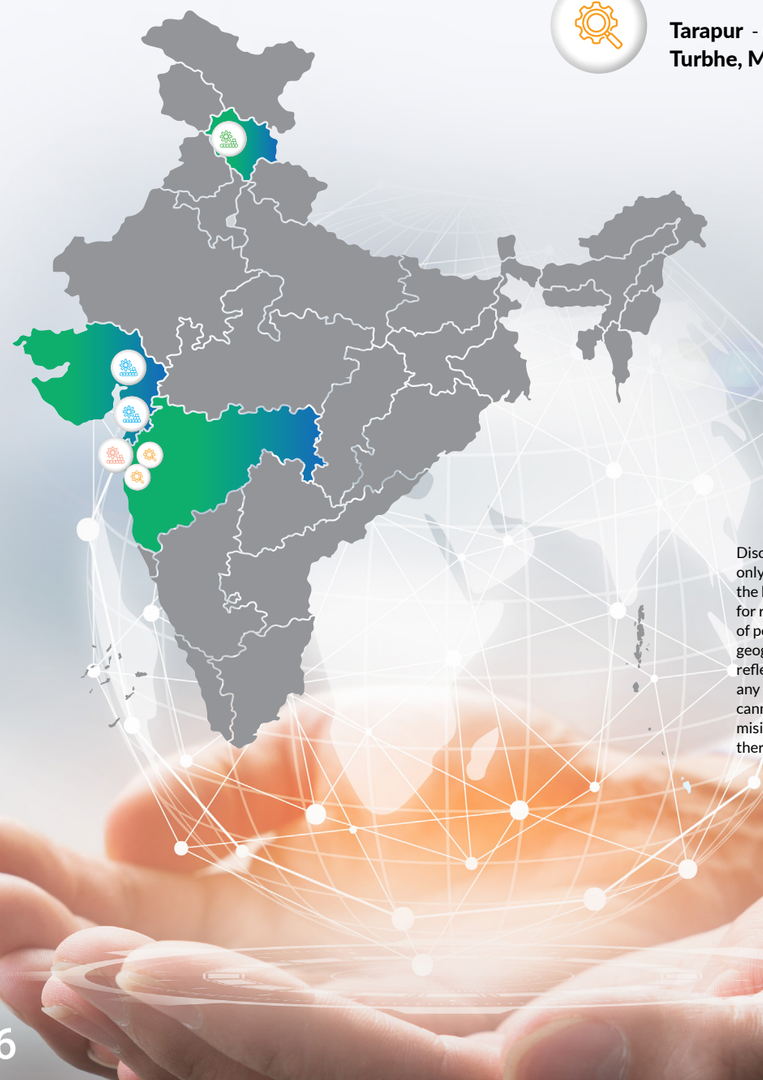
Maharashtra

Tarapur - 10 Locations (API Plant and Speciality Chemicals Plant)

R&D Centres

Maharashtra

Tarapur - (API)
Turbhe, Mumbai (Formulations)



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

Production Capabilities

	Installed	Current	Captive
FY 2023-24	57,179 MT	41,116 MT	9,864 MT
FY 2024-25	61,053 MT	44,915 MT	11,621 MT
FY 2025-26	82,512 MT	53,139 MT	13,208 MT

Net Production

FY 2023-24	FY 2024-25	FY 2025-26
31,251 MT	33,294 MT	39,931 MT

Global Export Network

We export to over **100 countries** across **6 continents**, with the **Top 10** export markets driving our reach depicted below :

Market Distribution



73% Regulated
27% Semi-Regulated



Disclaimer: Illustrative map only; not to scale or for reference. The Company does not assume responsibility for accuracy or use.

Milestones

Building through the Years



1984

Incorporated Aarti Drugs Limited, marking the beginning of our journey

1993

Listed on BSE Limited, strengthening our capital market presence

1996

Expanded our business through the merger of several group entities, creating a stronger and more integrated organisation

1998

Crossed a turnover of ₹100 Crores

2003

Listed on the National Stock Exchange of India Limited (NSE)

2008

Received USFDA approval for one of our manufacturing facilities, reinforcing our global regulatory credentials

2011

Surpassed ₹500 Crores in turnover

2014

- Surpassed ₹1,000 Crores in turnover
- Entered the formulations business through the acquisition of our 100% subsidiary Pinnacle Life Science Private Limited

2015

Recorded a Profit Before Tax (PBT) exceeding ₹100 Crores

2017

Our subsidiary Pinnacle Life Science Private Limited crossed ₹100 Crores in turnover

2021

- Surpassed ₹2,000 Crores in consolidated turnover
- Achieved a Profit After Tax (PAT) of over ₹200 Crores
- Pinnacle Life Science surpassed ₹200 Crores in turnover

2022

Surpassed ₹2,500 Crores in consolidated revenue

2023

Exceeded ₹2,500 Crores in standalone turnover

2024

Diversified into the personal care segment with the commissioning of a greenfield dermatology product facility at Tarapur

2025

Partnered with Prozeal Green Power Private Limited to establish captive solar power plants in Gujarat and Maharashtra

2026

- Commissioned and ramped up the Sayakha methylamines facility, strengthening backward integration for the Metformin portfolio
- Received USFDA approval for our oncology facility and UK MHRA approval for our oral solid dosage (OSD) facility
- Received EU GMP certifications for the oncology and general capsule lines

From the Chairman's Desk

Leading Towards a Better Future



Dear Stakeholders,

FY 2025-26 was a year of strengthening our capabilities and building upon the foundations we have established over the past several years. With new manufacturing capacities commencing commercial production, deeper backward integration and key regulatory approvals, we continued to expand the scale, reach and opportunities of our business. Despite a challenging operating environment, our diversified business model, disciplined execution and commitment to operational excellence enabled us to navigate evolving market dynamics while further strengthening the platform for sustainable growth.

> It has been the privilege of my professional life to help build Aarti Drugs from its earliest days into the company it is today. I have complete confidence in Rashesh and Adhish, and in the strength of the team we have built together over the years.

As I reflect on the journey of Aarti Drugs, I am particularly pleased to see the Company enter an important new phase of its evolution. Over the years, we have invested consistently in building manufacturing capabilities, strengthening our product portfolio, developing technical expertise and establishing enduring relationships with customers and stakeholders. The progress made during the year demonstrates the strength of these foundations and gives us confidence in the opportunities that lie ahead.

FY 2025-26 also marks an important milestone in the leadership journey of Aarti Drugs. I believe that it's an appropriate time for an orderly leadership transition. Effective October 1, 2026, Shri Rashesh C. Gogri will assume the role of Chairman in addition to his existing responsibilities as Managing Director, while Shri Adhish P. Patil will assume the role of Managing Director. I will retire from my responsibilities as Chairman, Managing Director & CEO with effect from the close of business hours on September 30, 2026, after a long and fulfilling association with the Company.

It has been the privilege of my professional life to help build Aarti Drugs from its earliest days into the company it is today. I have complete confidence in Rashesh and Adhish, and in the strength of the team we have built together over the years. The journey has been shaped by the dedication of our employees, the trust of our customers and business partners, the support of our shareholders and the commitment of successive generations of our leadership team.

As I hand over the leadership responsibilities, I do so with a strong sense of confidence in the future of the Company. The leadership transition represents a natural progression in the evolution of Aarti Drugs, combining continuity of institutional knowledge and experience with fresh perspectives and renewed strategic focus. Having worked closely with both Rashesh and Adhish, I am confident that they understand the Company's businesses, people, capabilities and stakeholders closely and are well positioned to lead Aarti Drugs through its next phase of growth.

The transition does not represent a change in our long-term strategic direction. Rather, it provides an opportunity to build further upon the capabilities and investments created over the years, deepen our presence across the API and formulations businesses, strengthen our competitiveness and pursue emerging opportunities with the same emphasis on quality, scientific rigour, operational discipline and dependability that has guided Aarti Drugs throughout its journey.

While I will be retiring from my executive and Board responsibilities, I remain deeply connected with the Company's progress and will continue to provide guidance and strategic support during this transition, wherever my experience and knowledge can contribute to the Company's continued success. My association with Aarti Drugs has been one of the most significant journeys of my professional life, and I look forward to seeing the Company achieve even greater milestones in the years ahead.

I am confident that the strong foundation built over the years, together with the capabilities of our people and the leadership of the next generation, will enable Aarti Drugs to capture the opportunities emerging across global pharmaceutical markets and create sustainable long-term value for all our stakeholders.

Navigating a Challenging Year with Resilience

FY 2025-26 presented a challenging operating environment for the pharmaceutical industry. Domestic demand for antibiotics remained subdued, while raw material and energy costs continued to remain elevated. Geopolitical tensions in West Asia disrupted the availability and pricing of key inputs, including ammonia and crude-linked derivatives. Freight, packaging and utility costs remained elevated through much of the year, while evolving trade tariffs and GST-related changes added further uncertainty to the operating landscape.

The first half of the year was particularly testing, as pricing pressures, coupled with the start-up costs associated with our newly commissioned facilities, weighed on profitability. However, I am encouraged by the improvement witnessed during the second half of the year. API pricing began to stabilise around September 2025 and strengthened further during the fourth quarter, supported by rising crude prices. This improvement, together with stronger export demand, accelerated ramp-up at our new facilities and increased contributions from higher-margin businesses, enabled the Company to exit the year on a considerably stronger footing.

Throughout this period, we remained focused on the fundamentals that have strengthened Aarti Drugs over the years: a diversified product portfolio, a broad and loyal customer base, calibrated price revisions, continuous cost optimisation and deeper backward integration. The commencement of commercial production at our Sayakha methylamines facility is an important step in this direction. These initiatives enabled us to partially offset external cost pressures while preserving the underlying resilience of our business.

From Building to Delivering: Realising the Potential of Our Investments

FY 2025-26 represents an important stage in the Company's multi-year investment journey. Over the past several years, we have committed significant capital and management attention towards building new manufacturing capabilities, strengthening backward and forward integration, expanding our formulations capacities and enhancing our regulatory platform. I am pleased to see these investments now moving from the commissioning phase towards meaningful commercial contribution.

The Sayakha methylamines facility progressed from trial production to commercial production during the year. While temporary ammonia shortages linked to the West Asia conflict affected the pace of ramp-up, the facility entered a more stable operating phase by March 2026, achieving a production run-rate of approximately 1,000 tonnes per month, representing over 40% utilisation. We expect utilisation to improve further through FY 2026-27, supported by the planned expansion of our Metformin capacity, which will increase captive demand for methylamines. This backward integration is expected to reduce our dependence on external suppliers, improve raw material security and strengthen the cost competitiveness of one of our important product franchises.

At Tarapur, our Salicylic Acid plant also made strong progress during the year. After addressing initial technology-related challenges, the facility achieved production levels exceeding 300 tonnes per month. As the plant advances through the commissioning phase, our focus remains on optimising operations, improving yields and increasing utilisation. The facility also provides a platform for future forward integration into higher-margin salicylate derivatives, creating opportunities to enhance the profitability and growth potential of this business.

> We also achieved an important milestone in oncology, with regulatory approval for our oncology manufacturing facility and the readiness of our first product for commercialisation.

Our formulations business emerged as one of the strongest growth engines of the year, with exports now contributing nearly two-thirds of formulation revenues. This performance reflects the continued expansion of our product portfolio, a growing pipeline of dossier filings across geographies and regulatory approvals from the USFDA, UK MHRA and European authorities. These approvals provide us with an opportunity to deepen our presence in high-value regulated markets.

We also achieved an important milestone in oncology, with regulatory approval for our oncology manufacturing facility and the readiness of our first product for commercialisation. While this remains an early stage in our oncology journey, I believe it provides a meaningful foundation for building a differentiated and higher-margin segment within our formulations business.

Our regulatory platform strengthened further with the USFDA approval of our Tarapur API facility and the filing of a Drug Master File (DMF) for Metformin with the US authorities. These developments provide an important foundation for rebuilding our presence in the United States as global pharmaceutical supply chains continue to diversify.

The cumulative impact of these initiatives is reflected in the changing composition of our business. The share of revenue from regulated markets increased from 66% in FY 2024-25 to 73% in FY 2025-26. This progress reflects the growing acceptance of our products, processes and quality systems across global pharmaceutical markets and reinforces my confidence in the investments we have made over the years.

Financial Performance: Delivering Resilience through the Cycle

Against a challenging operating backdrop, I am encouraged by the resilience demonstrated by Aarti Drugs during FY 2025-26. Consolidated revenue stood at ₹2,568 Crores, compared with ₹2,403 Crores in the previous year, representing a growth of approximately 7%. EBITDA stood at ₹312 Crores, with an EBITDA margin of 12.1%, while Profit After Tax (PAT) increased by approximately 16% to ₹195 Crores, with a PAT margin of 7.6%.

These results reflect the strength of our diversified business model and the benefits of the initiatives undertaken over the past several years. While the first half of the year was impacted by pricing pressures and the start-up costs associated with our new facilities, the improvement in the second half demonstrates the underlying resilience of our businesses and the benefits of our continued focus on operational efficiency, cost optimisation and value-added products.

As we move forward, our focus will remain on improving capacity utilisation, strengthening margins, enhancing cash generation and ensuring that the investments made over the years translate into sustainable and meaningful returns.

Strengthening Our Sustainability Agenda

Sustainability has always been an important part of our approach to responsible business, and I am pleased with the progress we continued to make during the year. We further advanced our renewable energy agenda, including the development of a solar power project through our joint venture with Prozeal Green Power, which is expected to commence operations in FY 2026-27.

Alongside our renewable energy initiatives, we continued to focus on energy efficiency, responsible water management and strengthening environmental compliance across our manufacturing facilities. Our growing backward integration also contributes to this effort by reducing transportation requirements, improving resource utilisation and strengthening the efficiency of our manufacturing operations.

The health and safety of our employees remain a fundamental priority. During the year, we continued to strengthen our HSE practices through regular training, engineering controls and investments in process safety across our facilities. We also invested in higher-quality GMP equipment and automation to modernise our plants, strengthen operational controls and reduce workplace risks.

A comprehensive safety audit was completed during the year, helping us reinforce operational protocols and identify further opportunities for improvement. One of our plants was also refurbished to meet the stringent safety and quality standards required for upcoming European regulatory audits, further strengthening our operational preparedness.

Our commitment to sustainability extends beyond our manufacturing operations. Through our Corporate Social Responsibility initiatives, we continued to contribute towards healthcare, education, skill development, community welfare and environmental sustainability. I believe that creating long-term value for our shareholders must go hand in hand with creating a positive impact on the communities in which we operate.

Looking Ahead: From Investment to Impact

Having substantially completed a multi-year investment cycle, we now enter a phase where capital deployment will become more selective and returns-focused, even as we continue to invest in debottlenecking, backward and forward integration, regulatory compliance and R&D. Our priorities for the years ahead are clear: maximising the returns from the capacities we have built, deepening our presence in regulated markets, and building our formulations business, including our long-term aspiration of a ₹1,000-Crore formulations franchise over the next three to five years, while continuing to strengthen our balance sheet and cash generation.

The leadership transition reinforces this direction. With leaders who have grown within the organisation taking on expanded responsibilities, we are able to carry forward the institutional knowledge, manufacturing capabilities and stakeholder relationships we have built over the years, while bringing renewed focus to execution and competitiveness. I believe this continuity, combined with fresh strategic thinking, positions Aarti Drugs well to capture the opportunities emerging across our API and formulations businesses.

Gratitude to our Stakeholders

As I conclude my tenure as Chairman, Managing Director & CEO, I would like to express my sincere gratitude to our employees across manufacturing, R&D and corporate functions for their dedication, resilience and commitment. Their contribution has been central to every milestone that Aarti Drugs has achieved.

I also thank our customers, suppliers, business partners, shareholders and other stakeholders for the trust and support they have extended to the Company over the years. I am equally grateful to my colleagues on the Board for their guidance and support throughout this journey.

I leave my executive responsibilities with immense pride in what we have built together and with complete confidence in the future of Aarti Drugs. I am confident that the Company will continue to strengthen its capabilities, pursue new opportunities and create sustainable value for all its stakeholders under the leadership of the next generation.

I wish Shri Rashesh C. Gogri, Shri Adhish P. Patil and the entire Aarti Drugs team every success as they lead the Company into its next phase of growth.

Yours sincerely,

Shri Prakash M. Patil
Chairman, Managing Director & CEO

Product Portfolio

Creating Value through an Evolving Portfolio

Our portfolio has evolved with changing market needs, strengthening our presence across established therapies while creating new opportunities in high-growth segments. Spanning APIs, formulations, specialty chemicals and pharmaceutical intermediates, it combines manufacturing scale with continuous product development, enabling us to serve diverse customer requirements across global markets.

As we deepen backward integration, expand regulated market offerings and broaden our formulations portfolio, we continue to build a portfolio that is more diversified, differentiated and better positioned for the future.

Active Pharmaceutical Ingredients (APIs)

Our API business forms the largest share of our portfolio, combining leadership across established therapies with continuous investments in capacity expansion, backward integration and product diversification. With a portfolio of over 50 molecules, we continue to strengthen our presence across regulated and emerging markets while addressing evolving therapeutic needs.

Antibiotics
Ciprofloxacin Hydrochloride | Ofloxacin | Levofloxacin | Norfloxacin | Enrofloxacin | Others

Antiprotozoal
Metronidazole | Tinidazole | Metronidazole Benzoate | Others

Anti-Diabetic
Metformin HCL | Pioglitazone | Vildagliptin | Teneligliptin | Others

Anti-Inflammatory
Diclofenac Derivatives | Aceclofenac | Nimesulide | Celecoxib

Antifungal
Ketoconazole | Tolnaftate | Fluconazole

Cardioprotectants
Clopidogrel Bisulphate | Ticlopidine HCL

Other Categories

Leadership at a Glance

50+
Molecules across Diverse Therapeutic Categories

Global Leader in the Production of
5
Key Molecules

48,204 MTPA
Installed Capacity

Strategic Focus

Strengthening Leadership in Anti-Diabetics

- Among the world's leading manufacturers of Metformin, with an installed production capacity of over 1,450 TPM.
- Commercialised the Sayakha methylamines facility in September 2025, strengthening backward integration for the Metformin portfolio and specialty chemicals business.
- The facility ramped up to over 40% utilisation (nearly 1,000 TPM) by March 2026, supporting improved supply chain integration and operational efficiencies.
- Planned brownfield expansion of an additional 350 TPM to meet growing market demand.
- Expanding the anti-diabetic portfolio with the introduction of Gliptins.
- Following the re-approval of the Tarapur API facility, filed the Drug Master File (DMF) for Metformin, with commercial supplies targeted post-validation.

Advancing Anti-Inflammatory Capabilities

- Scaled production at the Tarapur Salicylic Acid facility to over 300 tonnes per month, expanding manufacturing capabilities in the anti-inflammatory portfolio.

Expanding the Antiprotozoal Portfolio

- Brownfield expansion planned to increase production capacity by 40%, reinforcing our domestic market position.
- Secured regulatory approval to market products in China, opening new international opportunities.
- Incremental capacity additions and downstream product expansion to support future growth.

Reinforcing Global Leadership in Antifungals

- Recent capacity expansions continue to build on our leadership position in the global antifungal market.
- Enhancing manufacturing capabilities to meet growing international demand.



Formulations

Through our wholly-owned subsidiary, Pinnacle Life Science Private Limited, we continue to grow our formulations business with an increasing focus on regulated markets, differentiated therapies and global registrations. Recent regulatory milestones, expanding international reach and investments in specialised manufacturing capabilities are reinforcing our position across global formulations markets.

Division Snapshot

- Presence across 90 countries.
- New launches across Oncology, Cardiovascular and Anti-Infective therapies.
- USFDA, UK MHRA and EU GMP approved manufacturing facilities.
- Installed manufacturing capacity of 3 billion tablets and 300 million capsules annually.

Strategic Focus

Expanding Global Reach

- Strengthening our presence across the US, Europe and Canada, while expanding into Asia, Africa and Latin America.
- Deepening our overseas presence through subsidiaries including Pinnacle Chile SpA and Pharma Go SpA.

Advancing Regulated Market Capabilities

- Dedicated Oncology Formulation Facility at Baddi commenced commercial operations.
- Received USFDA approval, EU GMP certification and ANVISA-Brazil approval for the oncology facility during the year.
- Commercialised the first oncology product, Bicalutamide.
- General Oral Solid Dosage (OSD) manufacturing lines became operational for regulated markets following UK MHRA approval and EU GMP certification.

Enhancing Manufacturing Utilisation

- Exploring toll manufacturing opportunities for the USFDA-approved dedicated oncology facility, leveraging its specialised infrastructure to improve capacity utilisation and create additional growth opportunities.



Specialty Chemicals, Intermediates and Others

Our specialty chemicals and intermediates business complements our API operations by strengthening backward integration, enhancing supply chain reliability and supporting customers across multiple therapeutic segments.

- Benzene Sulfonyl Chloride
- Derivatives of Chlorosulphonation Chemistry
- Other Products

Division Snapshot

- Supplying intermediates for antibiotics, antifungals, anti-inflammatory and cardiovascular products through backward integrated processes.
- Installed Capacity: 34,308 MTPA

Strategic Focus

- Commercialisation of the Sayakha methylamines facility has enabled expanding capabilities for the specialty chemicals business.
- Incremental expansion of chloro-sulphonation facilities to address growing market demand.
- Advancing plans for a greenfield project to further strengthen the specialty chemicals portfolio.



Research and Development

Where Ideas become Opportunity

Innovation at Aarti Drugs is driven by a clear objective: to translate scientific expertise into differentiated products, scalable manufacturing processes and commercial opportunities. Supported by dedicated R&D centres at Tarapur and Turbhe, we are advancing a robust pipeline of products across therapies.

During the year, our development efforts contributed to key commercial milestones, including the operationalisation of the Sayakha methylamines facility, commercialisation of our dedicated oncology formulations facility and regulatory approvals for our Oral Solid Dosage lines. By integrating product development with manufacturing readiness and regulatory planning from the outset, we continue to accelerate the journey from research to commercialisation while strengthening our competitiveness across regulated markets.



Our R&D Ecosystem

₹66 Crores
R&D Spend for FY 2025-26

2
Research Centres

Tarapur R&D Centre | Aarti Drugs Limited

Focused on API process development, the centre supports our manufacturing operations at Tarapur and Sarigam while enabling efficient scale-up from laboratory research to commercial production.

- Equipped with a pilot plant for kilo-scale manufacturing.
- Recognised by the Department of Scientific and Industrial Research (DSIR), Government of India.
- Collaborates with leading academic institutions, including experts from ICT and CSIR, to strengthen research and product development.

Turbhe R&D Centre | Pinnacle Life Science Private Limited

Dedicated to formulation research, the centre supports the development of complex generics for regulated and emerging markets.

- Focused on advanced formulation technologies.
- Developing complex oral solid dosage forms for global markets.
- Supporting Day 1 launch strategies through integrated regulatory and product development capabilities.

APIs

Products Under Development

1 Antifungals
6 Anti-Inflammatory
1 Pharma RM
2 Anti-Diabetic
9 Carboxylation-Based products
7 Specialty Chemicals

Products Under Pipeline

1 Antioxidant
8 Cosmetic and Skin
1 Antifungal
3 Methylamine-based products
11 Intermediates

Finished Dosages

Products Under Development

1 Anti-platelet
3 Antiretroviral
1 Anticonvulsants
1 Anti-depressants
1 Antipsychotics
1 Leukotriene Receptor Antagonists

New Age Molecules Under Development – for Regulated Markets

3 Anti-coagulant
5 Anti-diabetic

Products Under Development – for LATAM and Emerging Markets

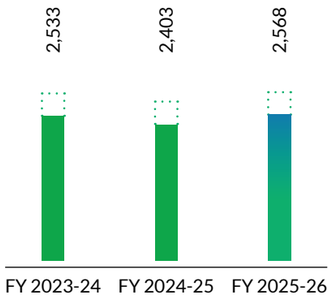
4 Anti-diabetic
1 Anti-protozoal
1 Benzodiazepines
1 Anti-bacterial
1 Gastro
1 HMG-CoA Reductase Inhibitors
1 Angiotensin Receptor Blockers

Financial Performance

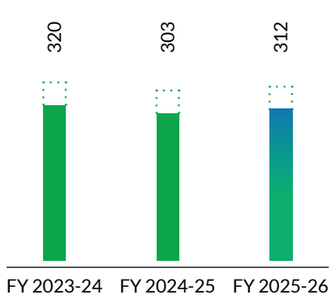
Investing for Enduring Growth

FY 2025-26 reflected the strength of a business that continued to grow while investing for the future. As strategic investments across manufacturing, backward integration and formulations progressed towards commercialisation, we maintained our focus on operational efficiency, disciplined capital allocation and financial prudence. The year's numbers reflect that balance between growth and stability.

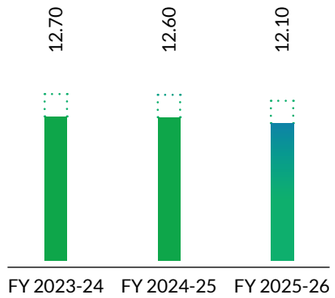
Revenue (₹ in Crores)



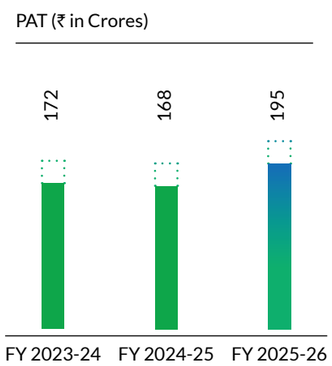
EBITDA (₹ in Crores)



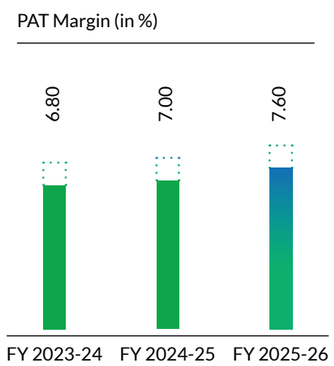
EBITDA Margin (in %)



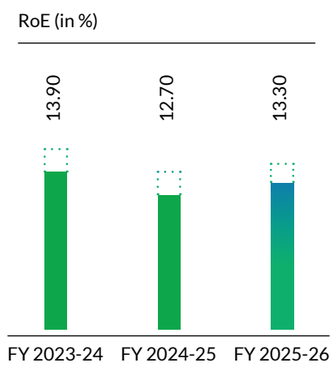
PAT (₹ in Crores)



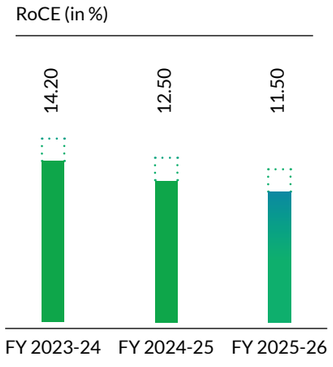
PAT Margin (in %)



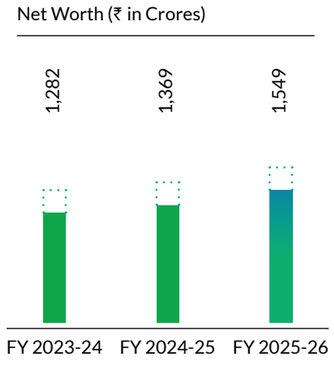
RoE (in %)



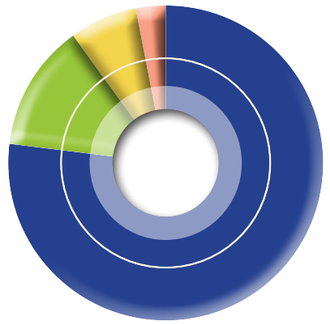
RoCE (in %)



Net Worth (₹ in Crores)



Segmental Revenue for FY 2025-26



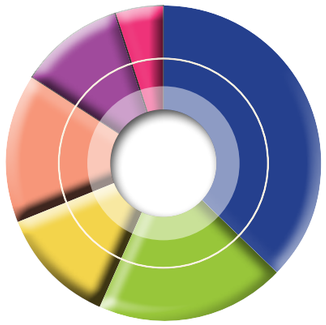
77.20% API

12.90% Formulation

7.00% Specialty Chemicals

2.90% Intermediates and Others

Therapeutic-Wise Revenue for FY 2025-26



37.4% Antibiotics

19.4% Antiprotozoal

12.2% Anti-inflammatory

15.3% Anti-diabetic

10.8% Antifungals

4.9% Others



Key Strategies

Turning Strategies into Strengths

The strength of our business lies not only in the strategies we define, but in our ability to execute them with discipline and consistency. Throughout FY 2025-26, we advanced key strategic priorities across manufacturing, product development, backward integration and regulated markets, reinforcing our competitive position while creating new avenues for sustainable growth.

Key Strategy

Diversified Product Mix	Diversified Client Mix	Capitalising on High-Entry Barriers	Backward Integration	Expanding Our Capabilities

Strategic Focus

We maintain a diversified portfolio across APIs, formulations, specialty chemicals and multiple therapeutic categories, enabling us to address evolving customer requirements, reduce concentration risk and create opportunities across regulated and emerging markets.	We serve a broad and diversified customer base across geographies, regulated markets and therapeutic segments, reducing dependence on any single customer or market while strengthening long-term growth opportunities.	The pharmaceutical industry is characterised by stringent regulatory requirements, technical expertise, high capital investments and long product development cycles. Our manufacturing capabilities, regulatory compliance and continuous investments in quality and R&D reinforce our competitive advantage in this complex operating environment.	Our integrated manufacturing model enhances supply chain reliability, improves cost efficiencies and strengthens operational control while enabling faster commercialisation and sustained competitiveness.	We continue to invest in manufacturing infrastructure, technology and R&D to strengthen existing operations, expand our product portfolio and support future growth across regulated and emerging markets.

Advancements in FY 2025-26

Expanded the formulations portfolio with new launches across Oncology, Cardiovascular and Anti-Infective therapies. Continued development of an expanding R&D pipeline, including 15 oncology products. Strengthened the anti-diabetic portfolio through the planned introduction of Gliptins.	Continued to strengthen our presence across regulated markets while expanding into new geographies. Secured regulatory approval to market products in China, creating new opportunities for the antiprotozoal portfolio.	Strengthened our regulatory portfolio through key approvals, including USFDA, UK MHRA and EU GMP certifications. Filed the Drug Master File (DMF) for Metformin following the re-approval of the Tarapur API facility. Continued enhancing capabilities to support growth across regulated markets.	Commercialised the Sayakha methylamines facility in September 2025 to strengthen backward integration for the Metformin portfolio and specialty chemicals business. Progressed steadily through the year, reducing dependence on external suppliers and supporting improved operational efficiencies.	Commissioned the dedicated Oncology Formulation Facility at Baddi and commercialised the first oncology product, Bicalutamide. Operationalised the Oral Solid Dosage (OSD) lines for regulated markets following UK MHRA and EU GMP approvals. Scaled production at the Tarapur Salicylic Acid facility to over 300 tonnes per month. Continued investments in R&D capabilities through dedicated centres at Tarapur and Turbhe.

Stakeholder Engagement

Growing through Partnerships

Every enduring relationship is built on trust, transparency and shared accountability. Through continuous engagement with customers, employees, suppliers, investors, regulators and communities, we strengthen collaboration, respond to evolving expectations and make more informed decisions. These relationships not only support our day-to-day operations but also help us build a business that remains responsible, resilient and built for sustainable growth.

Stakeholder Type	Priority Level	Mode of Communication	Frequency
Customers	High	Surveys Customer feedback Focus group discussions	Continuous Basis
Shareholders	High	Annual general meetings Quarterly results Earnings calls Through the Company website	Event Based
Employees	High	Surveys Suggestion boxes Training programmes	Need Basis
Government	High	Through current and new policies Ensuring adherence to regulations	Need Basis
Suppliers	Medium	Collecting feedback Meetings Conferences	Continuous Basis
Community	Medium	Discussions Community development Sponsorships	Continuous Basis
NGOs	Medium	Strategic alliances Collaboration projects Joint programmes	Need Basis
Industry Peers	Low	Conferences Industry associations Networking events	Need Basis
Media	Low	Public announcements Media interactions Media sessions	Need Basis
Competitors	Low	Industry conferences Market research Industry reports	Annually



Environment

Building a Responsible Future

Environmental stewardship is becoming increasingly embedded in the way we operate and grow. Across our manufacturing network, we continue to invest in cleaner energy, resource efficiency and circular practices that strengthen operational resilience while reducing environmental impact. Our approach also extends across the value chain, from raw material sourcing and manufacturing to logistics and product delivery, with greater emphasis on responsible sourcing, resource optimisation and lower-emission practices.

Material Topics Identified

- Climate Change, Energy, and Emission Management
- Sustainable Supply Chain and Responsible Procurement
- Water and Wastewater Management
- Waste and Hazardous Materials Management

Climate and Energy

Improving energy performance remains integral to enhancing both operational efficiency and environmental responsibility across our manufacturing network. We continue to invest in cleaner technologies and process improvements that optimise energy consumption, lower emissions and strengthen long-term energy security. These initiatives not only support our sustainability objectives but also contribute towards building more efficient and resilient operations.

Targets

We have set a target to reduce Scope 1 and Scope 2 emissions by 20% by 2030, using FY 2024-25 as the baseline, and to reduce energy consumption across manufacturing sites by 20% by 2030, using FY 2024-25 as the baseline.

Key Initiatives

- Transition towards agro-based fuels as alternatives to conventional fuels, alongside the planned use of spent glycol in a dual-fuel boiler with coal, to reduce reliance on conventional fossil fuels and associated emissions.
- Upgradation of chilling systems with energy-efficient screw and scroll compressors to optimise electricity consumption and improve operating efficiency.
- Installation of high-efficiency motors and VFD-compatible systems to improve HVAC efficiency and enable better control of electricity consumption.
- Use of air and water pre-heaters and high-efficiency thermic fluid heating systems to improve thermal efficiency and reduce fuel consumption.
- Installation of waste heat recovery systems to capture and reuse heat generated from industrial processes, alongside adoption of MVR technology in evaporation processes to reduce energy consumption.
- Replacement of conventional sodium-vapour lighting with energy-efficient LED lighting across sites, supported by regular energy and steam audits to identify opportunities for further optimisation across plant and utility operations.
- Planned installation of back-pressure turbines for the co-generation power plant to improve energy utilisation and enhance power-generation efficiency.

Powering Operations with Renewable Energy

We are also progressively transitioning manufacturing sites towards renewable energy, with planned solar and wind installations at Sarigam and Tarapur. In this regard, the Company has entered into a Share Subscriptions and Shareholders' Agreement with Prozeal Green Power Private Limited to facilitate the development of renewable energy capacity.

Closing the Water Loop

Responsible water management remains a key priority across our manufacturing operations. Through continuous investments in advanced treatment, recycling and recovery systems, we strive to maximise water reuse, improve resource efficiency and minimise freshwater consumption. Our Water Management Standard Operating Procedure supports systematic monitoring of water use, identification of conservation opportunities and implementation of water-saving measures.

9
ZLD Plants

Targets

We have set a target to reduce water consumption by 30% by 2030, using FY 2024-25 as the baseline, alongside measures to expand rainwater harvesting and reuse and strengthen recycling systems.

Key Initiatives

- Implementation of ZLD, MEE/MVR and STP systems to treat wastewater and effluents, recover condensate and enable reuse across operations, including for gardening and utility purposes.
- Optimisation of cooling, production and washing processes through closed-loop systems and process improvements to reduce water consumption and losses and increase reuse.
- Use of ATFD/Dry Distillation systems for waste concentration and volume reduction, alongside recovery of valuable materials from effluent streams to improve resource efficiency.
- Routine testing of effluents through MoEFCC-accredited laboratories to monitor compliance with applicable EHS requirements.
- Development of underground effluent storage facilities to strengthen liquid waste management.



Driving Circular Resource Management

Reducing waste generation and improving resource utilisation remain integral to our environmental approach. By adopting more sustainable packaging solutions and continuously optimising material usage, we continue to minimise our environmental footprint while promoting more circular manufacturing practices across our operations.

Targets

We have set a target to reduce waste generation by 30% by 2030 and channelise 50% of waste for co-processing by 2030.

Key Initiatives

- Transition from plastic bags to paper bags for bulk API packaging and replace HDPE drums with fibre drums to reduce plastic consumption and packaging waste.
- Replace LDPE bags with jumbo bags to improve packaging efficiency and reduce packaging material consumption.
- Reuse discarded containers for hazardous-waste management, while strengthening waste segregation through dedicated recycling bins for hazardous, non-hazardous, biomedical and e-waste across sites.
- Recover and reuse by-products such as Sodium Sulphate, Spent Glycol, Ammonium Sulphate and Formamide, including conversion into saleable materials where feasible, to improve resource utilisation.
- Reuse mixed glycol as boiler fuel, supporting resource recovery while reducing disposal requirements.
- Channelise high-calorific waste for co-processing in cement kilns, enabling beneficial utilisation of waste and reducing disposal to landfill.

Life Cycle Assessment of Metronidazole

A Life Cycle Assessment of Metronidazole manufacturing was undertaken in accordance with ISO 14040 and ISO 14044. The assessment covered the complete product life cycle from raw material extraction to end-of-life (cradle-to-grave), evaluating indicators including global warming potential, ozone depletion, acidification, eutrophication, ecotoxicity, resource depletion and water consumption. Raw material extraction was identified as the most significant contributor to the overall environmental impact. A mitigation scenario incorporating solvent recovery was proposed, which demonstrated a 19.99% reduction in Global Warming Potential (GWP) and an overall 18.96% impact reduction across the assessed categories.

Building a Responsible Supply Chain

Our commitment to sustainability extends beyond our own operations to the partners we work with across our value chain. Through responsible sourcing practices, structured supplier assessments and continuous engagement, we encourage higher environmental, social and governance standards while fostering transparent, long-term partnerships built on shared values.

Key Initiatives

- ESG-based assessment and evaluation of key suppliers through a structured sustainability questionnaire, covering climate action, social responsibility, quality performance and other relevant ESG parameters.
- Supplier awareness and engagement programmes aligned with the Global Reporting Initiative (GRI) framework, supported by continuous engagement to strengthen responsible sourcing practices across the value chain.
- Alignment of suppliers with the Company's Supplier Code of Conduct, which sets out expectations on environmental, social and governance practices.
- Prioritisation of local and high-quality suppliers, where appropriate, to support supplier diversity, strengthen sourcing practices and reduce the environmental footprint of procurement.
- Optimisation of logistics routes and promotion of lower-emission transportation practices to reduce the environmental impact of the supply chain.

CRISIL
An S&P Global Company

Global Recognition for Responsible Business

The Company was assigned an independent CRISIL ESG Rating of 52 during the year and continued to retain its EcoVadis Sustainability Rating, placing it among the top-performing organisations globally. These recognitions reflect our ongoing efforts to integrate sustainability across our operations and value chain, reinforcing our commitment to responsible business practices, environmental stewardship and sustainable value creation.





Social

Empowering People Together

Fostering a safe and inclusive workplace, upholding responsible business practices and investing in community development initiatives, we continue to strengthen relationships that contribute to inclusive and sustainable progress. Our approach extends across the employee life cycle and value chain, with expectations on ethical employment, workplace safety, human rights and responsible business conduct also extending to contractors, vendors, suppliers and other business partners.

Material Topics Identified

- Occupational Health and Safety
- Community Impact, Relations, and Development
- Product Safety

Putting Safety First

Creating a safe workplace is fundamental to our operational excellence. We continue to strengthen our safety culture through proactive risk identification, structured management systems, regular training and employee participation. By embedding safety into everyday operations, we seek to minimise workplace risks while fostering an environment where every individual can perform with confidence and security.

Our Safety Framework

- Periodic Hazard and Operability Studies (HAZOP) and Hazard Identification and Risk Assessment (HIRA) to proactively identify and mitigate workplace risks.
- Comprehensive Health & Safety Policy supported by regular employee awareness and training programmes.
- Routine safety audits and inspections to evaluate the effectiveness of safety systems.
- Structured incident reporting and near-miss management processes that encourage employee participation.
- Continued investments in advanced safety equipment and process safety improvements across operations.

Respecting Human Rights

Respect for human rights is embedded within our values and guides the way we engage with employees, customers, suppliers and business partners, while promoting diversity and inclusion as important elements of a responsible and respectful workplace.

Our Approach

- Promote respect for the dignity, customs, beliefs and cultural heritage of all stakeholders, while encouraging suppliers, customers and business partners to uphold fundamental human rights.
- Identify and assess potential human rights risks across operations and implement preventive measures to minimise the risk of human rights infringements.
- Maintain zero tolerance for child labour and forced labour, uphold the principle of voluntary employment, and prohibit mistreatment, physical punishment and involuntary servitude.
- Respect employees' rights to join trade unions or seek recognised representation in accordance with applicable laws, while adhering to fair-pay and employment requirements.

Quality You Can Trust

Delivering safe, reliable and high-quality products remains central to the trust our customers place in us. Supported by structured quality management systems, stringent manufacturing controls and continuous monitoring, we ensure that our products consistently meet global regulatory requirements and the highest standards of quality, safety and efficacy.

How We Deliver Quality

- Stringent quality control systems across manufacturing operations.
- Continuous monitoring of production processes to ensure product consistency.
- Regular employee training on quality and product safety practices.
- Compliance with applicable domestic and international regulatory standards.
- Continuous focus on delivering safe, reliable and effective pharmaceutical products.

Community Development

Our approach to community development is guided by the belief that sustainable business growth must go hand in hand with the progress of the communities around us. Through the Aarti Foundation and our implementation partners, we continue to support initiatives that address local priorities while creating meaningful and lasting social impact across education, healthcare, livelihoods and community development.

Long before CSR became a statutory requirement, community development formed an integral part of our philosophy. Over the years, we have strengthened this commitment by collaborating with local NGOs and grassroots organisations, enabling us to extend our reach, deepen community engagement and deliver programmes that respond to evolving local needs.

Guided by Our CSR Policy

Our Board-approved CSR Policy provides the framework for identifying and implementing initiatives that create long-term value for society. Working through the Aarti Foundation and other implementation partners, we continue to focus on programmes that promote inclusive and sustainable community development.

Composition of the CSR Committee



Shri Bhaskar N. Thorat
Independent Director



Shri Prakash M. Patil
Executive Director



Shri Rashesh C. Gogri
Executive Director

₹414.26 lakhs
Total CSR Spend for FY 2025-26

50,000+
Beneficiaries

Focus Areas and Expenditure

₹191.61 lakhs
Education and Skill Development

₹114.50 lakhs
Healthcare

₹30 lakhs
Livestock Development

₹47.71 lakhs
Public Infrastructure

₹9.39 lakhs
Environment and Water Conservation

₹21.05 lakhs
Support to the Weaker Sections of the Society

Education and Skill Development

Education and skill development remain important areas of the Company's CSR efforts, with initiatives focused on improving access to learning opportunities and strengthening educational infrastructure for underserved communities. Following are the initiatives undertaken during the year.

₹191.61 lakhs
Spend for FY 2025-26

15,000+
Lives Impacted in FY 2025-26

Infrastructure Development

- Installed electrical fittings and equipment at J.V.S.S. Anu Vikas Vidyalay, Dandi, Taluka and District Palghar, supporting improvements in the school's infrastructure.
- Undertook safety infrastructure work at Primary School Kanadu, Taluka Umargaon, District Valsad, aimed at strengthening the safety infrastructure at the school.
- Installed a 10 kW solar on-grid system at Kanji Dharamsey High School and Motilal Kanji Junior College, Chinchani, Taluka Dahanu, District Palghar, supporting the institution's energy requirements through renewable energy.
- We continue supporting schools and institutions through contributions towards the development of new infrastructure and improvement of existing facilities.



Educational Support

Supported free coaching classes for financially weaker children and children of migrant families at Radhabai Library, Sarigam, District Valsad, helping expand access to academic support.



Distribution of notebooks and school uniforms to students from underserved communities forms a regular part of our CSR initiatives.



Provided scholarships to students in need to support their higher education and further studies.



Through the Aarti Foundation, we supported a range of initiatives aimed at strengthening access to education, improving learning environments and enabling students from underserved communities to pursue their educational aspirations.

Institutions	Place	People Benefited	Amount Spent (in lakhs)
Sushil Trust	Ratanpar, Kutch	279	48.20
Yusuf Meherally Centre	Mundra, Kutch	500	27.80
Shree Kutchhi Visha Oswal Sthanakwasi Jain Mahajan	Mumbai	25	50.00
Shree Mahavir Jain Charitra Kalyan Ratnashram	Songadh, Gujarat	510	25.00
Neev Shikshan Sanstha	Vadodara	10,000	9.00
Total		**11,314**	**160.00**

Sushil Trust | Ratanpar, Kutch

The Shree Ramkrishna Dev Vidhya Sankul in Ratanpar, near Bhachau in Kutch, has been supported by the Aarti Group since 2014. Located in a remote region, the institution faces challenges including water scarcity, limited mobility, difficulty in attracting quality teachers and high dropout rates. Our support has included teacher training and capacity building, community outreach to promote education, and infrastructure development, including boys' hostel toilets, a high school toilet block, primary school roof, water storage tanks, soak pits, dishwashing area, rainwater pond, sports ground and RO water system. Scholarships are also provided to students pursuing education after Class 10, along with support for educational tours.

Over the last three years, 422 students have passed out from the institution.

Yusuf Meherally Centre | Mundra, Kutch

The Yusuf Meherally Centre operates educational initiatives for children from migrant communities, including Vallabh Vidyalaya and three Sagar Shala centres at Virbandar, Bavadi Bandar and Looni Bandar. These initiatives take education closer to children of salt pan workers and fishermen, including through teachers who visit salt pan areas and fishermen settlements. During the year, the initiative supported 8 locations serving children of salt pan workers and 3 locations serving children of fishermen.

Shree Kutchhi Visha Oswal Sthanakwasi Jain Mahajan | Mumbai

The Aarti Foundation extended financial assistance to deserving and economically weaker students pursuing higher education through scholarships and educational loans. A structured selection process that includes Advertisement & Outreach, Application Submission, Personal Interview, Evaluation & Committee Discussion, and Approval & Disbursement helps assess academic potential, financial need and commitment towards education.

Shree Mahavir Jain Charitra Kalyan Ratnashram | Songadh, Gujarat

The Aarti Foundation supported the boys' hostel operated by Shree Mahavir Jain Charitra Kalyan Ratnashram, which provides a residential environment for students, particularly those from economically weaker backgrounds. The support covered essential food and educational requirements, including nutritious meals, study materials, tuition support and other educational expenses.

Neev Shikshan Sanstha | Vadodara

The 3E Programme — Engage, Enable, Empower, implemented by Neev Foundation in collaboration with the Aarti Foundation, focuses on strengthening early childhood education across Anganwadi centres. The programme has trained 400 Anganwadi workers, impacted approximately 10,000 children, promoted play-based and child-centric learning, strengthened classroom environments through Learning Corners, and supported the use of Teaching Learning Materials.



Healthcare

Access to affordable and quality healthcare can make a meaningful difference to communities, particularly where healthcare infrastructure is limited. Through our CSR arm, Aarti Foundation, we supported healthcare infrastructure and access across Bihar, Tamil Nadu, Maharashtra and Uttarakhand as below.

Tirthankar Mahaveer Jain Hospital | Nalanda, Bihar



We have established a modern healthcare facility in Nalanda, Bihar, equipped with advanced medical equipment and technology to expand access to quality healthcare. The facility offers medical imaging and laboratory services, supported by telemedicine capabilities, while health camps and awareness programmes promote preventive healthcare and community well-being. To further enhance accessibility and outreach, 12 electric auto-rickshaws are planned to provide transport support, along with an ambulance for community awareness campaigns.

300
Bed Capacity

4
Operation Theatres

12
ICU Beds

12,992
Beneficiaries

Tribal Health Initiative | Tamil Nadu

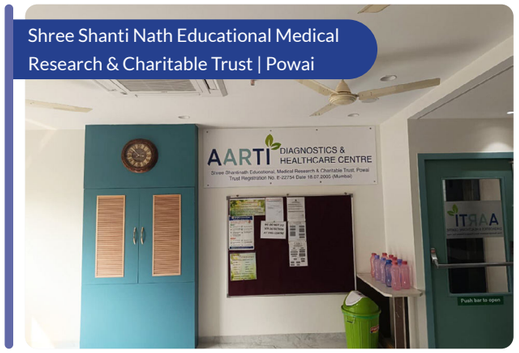


We supported the Tribal Health Initiative in the construction of a new hospital in the Kalrayan Hills, strengthening access to healthcare for communities in the region. The initiative forms part of a broader healthcare ecosystem comprising outreach programmes and health awareness initiatives serving communities across the Sittilingi Valley and surrounding areas. The proposed facility will provide emergency care and referral services, supported by laboratory facilities, ultrasound and X-ray services, a pharmacy, and accommodation for paramedics and doctors.

35 Bed
Base Hospital

24x7
Out Patient Department

Shree Shanti Nath Educational Medical Research & Charitable Trust | Powai



We supported the Powai Medical Centre Trust in strengthening access to affordable and accessible healthcare for underserved communities across Powai, Chandivali, Kanjurmarg and Vikhroli. The initiative focuses on renovating and upgrading the Centre's existing infrastructure to enhance the delivery of low-cost diagnostic and medical services. Following the renovation, the Centre is expected to have more than six OPD rooms, enabling improved patient flow and greater service capacity. The Centre currently serves more than 100 patients each day.

Livestock Development

Our CSR efforts also extend beyond human communities to support animal welfare and ecological conservation. We supported the Bhagwan Mahavir Pashu Raksha Kendra, located within Anchorwala Ahinsadham in Pragpar village, Kutch, Gujarat. The institution operates a veterinary hospital focused on the care, treatment and rehabilitation of aged, injured and disabled animals and birds. The Kendra has established two of India's largest ICUs for critically ill animals, where over 500 critically sick animals receive round-the-clock medical attention, ensuring they get the best possible treatment and care. The Kendra has also developed Nandi Sarovar, a 35-acre lake, to help meet the water requirements of animals and birds in the water-stressed Kutch region.

~2,900
Animals and Birds Receiving Shelter, Medical Care and Rehabilitation

500+
Critically Ill Animals Receiving ICU Care

Public Infrastructure

The Company continued to support community infrastructure development in locations surrounding its operations.

- Constructed 2 new bus stops at Maswan, District Palghar
- Supported the development of a dam at Maswan, Palghar
- Undertook road repairs and installed street lighting in localities surrounding the Company's factories



Environmental Conservation

As part of its environmental initiatives, we partnered with Samras Gram Panchayat, Saran Village, Vagra Taluka, Bharuch District, to undertake a tree plantation initiative focused on environmental conservation and local biodiversity. We have also undertaken the responsibility for the maintenance and upkeep of the planted trees for two years, supporting their healthy growth and survival and contributing to increased green cover in the area.

3,800+
Trees Planted

We have also undertaken tree plantation drives at multiple locations near our factories in Tarapur and Sarigam.



Support for the Weaker Sections of Society

The Company extended support to initiatives aimed at strengthening community well-being and creating livelihood opportunities.

Provided financial support and community development contributions towards an all-community mass marriage ceremony organised by Sanskrutik Vikas Mandal in Ghodipada, Umbergaon Taluka, Valsad District, Gujarat, benefiting over 160 families.

Partnered with the MITCON Forum for Social Development to provide specialised vocational training to local youth, with programmes focused on training participants as general duty attendants, electricians and home appliance repair technicians. The initiative aims to equip participants with market-relevant technical skills to support micro-entrepreneurship and self-employment opportunities within the community.

Undertook repair work at the community hall at Sayakha on the recommendation of the Gram Panchayat, supporting the upkeep of shared community infrastructure.

Revitalising the Beekeeping Ecosystem in Honey Village, Manghar

We extended our support to the Directorate of Bee Keeping, Maharashtra State Khadi & Village Industries Board (MSKVIB), Mahabaleshwar, for the distribution of teakwood beehives and equipment sterilisation support in Manghar Village, Mahabaleshwar Taluka, Satara District, Maharashtra.

Established in 2022 as India's first official 'Honey Village' under MSKVIB, Manghar serves as a model for ecological conservation and rural livelihoods and attracts over 1,00,000 tourists annually. Following severe economic losses suffered by local beekeepers due to the 'Thai Sacbrood' disease, the initiative focused on restoring the local beekeeping ecosystem and supporting traditional livelihoods.



Key Interventions Included

- 213 teakwood beehives sponsored and distributed, specifically suited for Apis cerana bees.
- 79 local beekeeping families directly benefited, with each family receiving 3 new teakwood bee boxes.
- Equipment sterilisation supported to help control disease transmission and protect new bee colonies.
- Awareness and training programmes conducted on bee colony management and sustainable honey harvesting.





Governance

Building with Integrity and Trust

Responsible growth is underpinned by a strong governance framework that promotes accountability, transparency and ethical business conduct. Through effective Board oversight, clearly defined policies and robust risk management practices, we continue to build stakeholder confidence while supporting informed decision-making across the organisation.

Material Topics Identified

- Corporate Governance
- Business Ethics
- Economic Performance
- Regulatory Compliance
- Data Privacy and Integrity
- Risk Management

Governance at a Glance

Our governance framework combines experienced leadership, specialised Board committees and well-defined policies to provide effective oversight across the organisation. Together, they support strategic direction, reinforce accountability and ensure that our business is managed responsibly while remaining aligned with evolving regulatory expectations.

Board Composition

5
Executive Directors

1
Non-Executive Director

6
Independent Directors



Oversight and Accountability

Independent oversight, clearly defined responsibilities and disciplined decision-making anchor this framework. Our Board, together with its specialised committees, provides strategic guidance across key business areas while ensuring sound governance practices, effective compliance and long-term value creation.

Ethics, Integrity and Responsible Conduct

Ethical conduct is reinforced through structured training, clear reporting mechanisms and Board-level oversight. Employees receive targeted training on the Code of Conduct, anti-bribery and anti-corruption policies and responsible procurement practices. Mandatory online POSH training supports a safe and respectful work environment.

Our Whistle-Blower Mechanism enables employees to raise concerns directly with the highest governance body, with safeguards against victimisation. In exceptional cases, concerns may be reported directly to the Chairperson of the Audit Committee. The Audit Committee reviews the Whistle-Blower Policy annually to support effective monitoring and mitigation of corruption risks.

During the reporting period, no incidents of corruption were reported.

Building Trust through Data Security

Protecting personal and confidential information of employees, customers and business partners is an important component of responsible governance. Our Information Security Policy covers confidentiality, integrity, availability and compliance across business functions.

Access controls, employee training and an incident-response framework support our efforts to safeguard information and address potential data breaches. The Board and Sustainability Council oversee implementation of the policy and periodically review it in response to regulatory requirements and emerging risks.

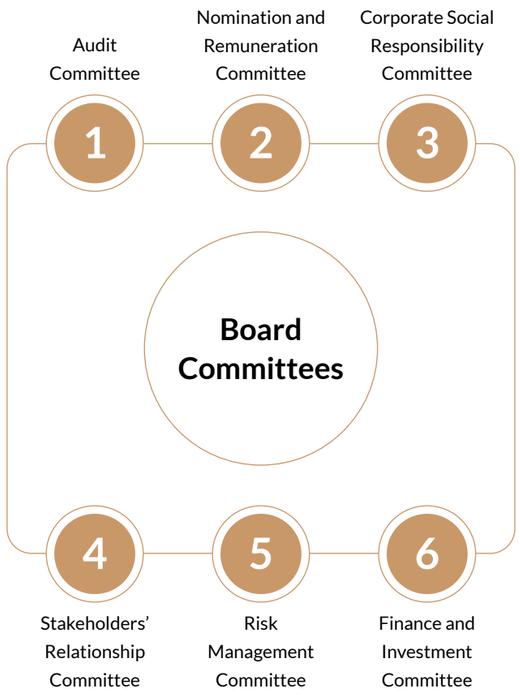
Zero

Data Breaches in FY 2025-26

Strengthening Compliance and Tax Governance

A dedicated Tax Department, led by the Tax Head, reports periodically to the Chief Financial Officer, while the Board reviews tax governance and relevant tax matters periodically. Tax-related compliance is supported through Compliance Management Software, with internal and statutory auditors and independent directors with relevant expertise providing additional oversight.

We also maintain strict adherence to applicable competition laws. During the reporting period, there were no legal actions in which the Company was identified as a participant in anti-competitive, anti-trust or monopoly-related matters.



Managing Risk Proactively

Operating in a dynamic and highly regulated industry requires a structured approach to identifying and managing risks. Our enterprise-wide risk management framework enables us to proactively assess strategic, operational and compliance-related risks while supporting business continuity, protecting stakeholder interests and strengthening organisational resilience.

Our Approach

- Oversight by the Risk Management Committee through periodic review and implementation of the Risk Management Policy.
- IT-enabled Compliance Management System serving as a central repository of applicable regulations with automated compliance alerts.
- Biannual disclosures of conflicts of interest and related party transactions through the stock exchanges.
- Structured grievance redressal mechanisms for customers, employees and communities.
- No significant instances of regulatory non-compliance reported during the year.

Policies that Guide Us

Our governance framework is supported by a comprehensive suite of policies that establish clear standards for ethical conduct, operational excellence and regulatory compliance. Together, these policies provide a consistent framework for responsible decision-making while reinforcing accountability, transparency and good governance across the organisation.

- Whistle Blower Policy
- Code of Conduct for Independent Directors
- CSR Policy
- Materiality Policy
- SHE Policy
- Quality Policy
- Supplier Code of Conduct
- Policy on Related Party Transactions
- Policy for Determining Material Subsidiaries
- Nomination and Remuneration Policy
- Dividend Distribution Policy
- Archival Policy
- Environment and Climate Change Policy
- People Policy
- Water Policy
- Information Security Policy
- Energy Policy
- Responsible Procurement Policy

Meet the Board

Leadership Shaping a Better Future



Shri Chandrakant V. Gogri

Chairman Emeritus

A founding member of the Aarti Group, Shri Chandrakant V. Gogri holds a Chemical Engineering degree from the Institute of Chemical Technology (ICT), [formerly known as the University Department of Chemical Technology]. His experience in areas encompassing Projects, Operations, Process Development, Local and International Marketing in the Chemical and Pharmaceutical industry is remarkable. His keen business acumen and 54+ years of experience have helped the Aarti Group scale to new heights of success. He is one of the Company's Founder Promoters. He retired as the Chairman on August 16, 2012, and has, on request of the Board, accepted the post of Chairman Emeritus for his valued guidance and expertise. Shri Chandrakant V. Gogri was awarded the prestigious Lala Shriram National Award for leadership in the Chemical industry in the year 2015, and ICC's D.M. Trivedi Lifetime Achievement Award in the year 2019 for his contributions to the Indian Chemical industry. In 2022, he received the Lifetime Contribution Award at the Chemicals and Petrochemical Awards by FICCI and the Lifetime Achievement Award from the Gujarat Dyestuff Manufacturers' Association (GDMA).



Shri Prakash M. Patil

Chairman, Managing Director & CEO

Shri Prakash M. Patil is Chairman, Managing Director and Chief Executive officer (CEO) of the Company and has been associated since the inception of the Company. He is one of the Company's Founder Promoters. He holds a Chemical Engineering degree from the Institute of Chemical Technology (ICT) [formerly known as the University Department of Chemical Technology]. He has more than 54 years of experience in the Chemical and Pharmaceutical industry. He has an expertise in Product Identification, Project Conceptualisation, Planning, Project Engineering and Implementation. His technical experience has helped the Company emerge as one of the leading pharmaceutical companies in the country.



Shri Rashesh C. Gogri

Managing Director

Shri Rashesh C. Gogri has been the Managing Director of the Company since September 26, 2014. Prior to that, he held the position of Whole-Time Director of the Company since October 2012. He holds a Production Engineering degree from Mumbai University and has more than 27 years of experience in Production, Marketing and Project Implementation in the Chemical and Pharmaceutical industry. He also serves as the Vice-Chairman & Managing Director of Aarti Industries Limited and Chairman of Aarti Pharmalabs Limited.



Shri Harshit M. Savla

Joint Managing Director

Shri Harshit M. Savla is the Joint Managing Director of the Company. He is associated with the Company since 1987. He is a Commerce Graduate having more than 39 years of experience in Finance, Exports and Administration. He played a crucial role in expanding the API and Formulation business of the Company.



Shri Harit P. Shah

Executive Director

Shri Harit P. Shah has been Executive Director of the Company since September 1995. He is a Commerce Graduate and has experience of more than 39 years in the handling commercial functions encompassing Sales, Purchases and Exports. He looks after local sales and exports as well. He has in-depth knowledge of the pharmaceutical industry.



Shri Uday M. Patil

Executive Director

Shri Uday M. Patil has been Executive Director of the Company since October 2000. He has more than 39 years of experience in factory administration work and liaisoning with various Government/Semi-Government Departments and agencies.



Shri Narendra J. Salvi

Non-Executive Director

Shri Narendra J. Salvi is a Non-Executive Director of the Company since August 2020. He has over 39 years of expertise in the API industry. He also serves as the Managing Director of Aarti Pharmalabs Limited, where he oversees the operation, projects, regulatory compliances and sustainability initiatives.



Shri Ankit V. Paleja

Independent Director

Shri Ankit V. Paleja is an Independent Director of the Company. He is a qualified lawyer. He holds double Bachelor's degrees in Legal Science and Law. With around 19 years of work experience, he is presently a partner in the law firm Crawford Bayley and Co. (Advocates & Solicitors). He is experienced in handling Equity Investments, Mergers and Acquisitions, Banking and Finance and general corporate transactions among others. He has been awarded the 'Under 40 Rising Star Award' by Legal Era.



Shri Hasmukh B. Dedhia

Independent Director

Shri Hasmukh B. Dedhia is an Independent Director of the Company. He is a Chartered Accountant and also holds DISA (ICAI). He has an experience of over 42 years in handling Audits, Due Diligence, Consultancy and Business Restructuring. He possesses rich experience in the fields of internal auditing and control enhancement aspects.



Shri Sandeep M. Joshi

Independent Director

Shri Sandeep M. Joshi is an Independent Director of the Company. He is a graduate in Chemistry from Mumbai University and completed his MBA degree from Pune, Symbiosis Institute of Business Management. He has 32+ years of experience in export marketing and business development with companies in India and abroad.



Prof. Bhaskar N. Thorat

Independent Director

Prof. Bhaskar N. Thorat is an Independent Director of the Company. He holds the degree of M. Chem. Engg. and PhD in Chemical Engineering from Institute of Chemical Technology (formerly known as UDCT). He is a Senior Professor of Chemical Engineering at Institute of Chemical Technology, Mumbai. He has been recognised with many awards and honours and has more than 100 research publications in reputed international journals.



Smt Neha R. Gada

Independent Director

Smt Neha R. Gada is an Independent Director of the Company. She is a Chartered Accountant and an Insolvency Professional. She has an experience of over 24 years in compliance pertaining to Securities Law and Corporate Laws. She is a co-founder of Infineon Capital Advisors LLP.



Shri Ajit E. Venugopalan

Independent Director

Shri Ajit E. Venugopalan is an Independent Director of the Company. He is a Chartered Accountant. He is a Banking professional with 32+ years of experience in banking & Finance domain. He served as Managing Director at SVC Co-op Bank Limited. He is also an advisor of Central Rating Committee of Brickwork Rating.



Shri Adhish P. Patil

Chief Financial Officer and Chief Operating Officer

Shri Adhish P. Patil is a proven leader with 21 years of experience in Manufacturing Operations, Finance, Investor Relations, Regulatory Compliance, Consulting, Systems Engineering and Information Technology for the Pharmaceutical and Consulting industries. He has a Bachelor of Engineering (IT) degree from Mumbai University. He is a gold medallist from the University of Florida's Warrington College of Business Administration with an MBA in Finance and Marketing. He was named to the coveted 'Top 100 CFOs India 2014' list. Additionally, he was a part of the coveted list of 'Top 200 CFOs in India,' awarded by StartupLanes in 2024. He has managed Production Efficiencies, Projects, Financial Operations, ERP Implementation and Automations for regulatory compliances for a publicly traded pharmaceutical company.

Awards and Achievements

A Recognised Track Record

1991-92

CHEMEXCIL
Outstanding Performance in Export

2001

CHEMEXCIL
- Outstanding Performance in Export
- Organisation of Pharmaceutical Product Best Vendor

2005

AVAYA GLOBAL CONNECT
Customer Responsiveness

2009

CHEMEXCIL
Outstanding Performance in Export

2012

CHEMEXCIL
Outstanding Performance Latin American Export

2013

ABBOTT
Best Vendor of the Year

2014

CHEMEXCIL
- Appreciation as a Business Partner

Government of India (Ministry of Commerce and Industry)
- Certificate of Recognition - Star Export House

2015-19

ABBOTT
Business Partner of the Year

2021-22

PHARMEXCIL
Export Performance Award - API and Intermediaries Gold Star

2022-23

PHARMEXCIL
Export Performance Award - API and Intermediaries Platinum Star

2023

ABBOTT
Business Partner of the Year

2024

Secured a Silver Medal in EcoVadis Assessment



Aarti Drugs Limited

Corporate Information

CHAIRMAN EMERITUS
Shri Chandrakant V. Gogri

CHAIRMAN, MANAGING DIRECTOR & CEO
Shri Prakash M. Patil

MANAGING DIRECTOR
Shri Rashesh C. Gogri

JOINT MANAGING DIRECTOR
Shri Harshit M. Savla

EXECUTIVE DIRECTORS
Shri Harit P. Shah
Shri Uday M. Patil

NON-EXECUTIVE DIRECTOR
Shri Narendra J. Salvi

INDEPENDENT DIRECTORS
Shri Ankit V. Paleja
Prof. Bhaskar N. Thorat
Smt Neha R. Gada
Shri Hasmukh B. Dedhia
Shri Sandeep M. Joshi
Shri Ajit E. Venugopalan

CHIEF FINANCIAL OFFICER AND CHIEF OPERATING OFFICER
Shri Adhish P. Patil

COMPANY SECRETARY AND COMPLIANCE OFFICER
Shri Rushikesh V. Deole

Registered Office
Plot No. N-198, M.I.D.C., Tarapur,
Village Pamtembhi, Taluka & Dist. Palghar - 401 506,
Maharashtra, India

Corporate Office
Ground Floor, Mahendra Industrial Estate,
Road No. 29, Plot No. 109-D, Sion (East),
Mumbai - 400 022, Maharashtra, India
Website: www.aartidrugs.com
Email: investorrelations@aartidrugs.com
Tel. No.: +91 22-2401 9025

Corporate Identification Number
L37060MH1984PLC055433

Statutory Auditors
Gokhale & Sathe
Chartered Accountants

Secretarial Auditors
M/s Mehta & Mehta, Practicing Company Secretaries

Registrar and Share Transfer Agent
MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)
C-101, 247 Park,
L.B.S. Marg, Vikhroli (W),
Mumbai - 400 083, Maharashtra
Tel. No.: - 022 4918 6000
Fax: 022 4918 6060
Email: rnt.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

Bankers
Axis Bank Limited
DBS Bank India Limited
HDFC Bank Limited
IDBI Bank Limited
Kotak Mahindra Bank Limited
Standard Chartered Bank
State Bank of India
The HongKong and Shanghai Banking Corporation Limited
Union Bank of India



Management Discussion and Analysis

Global Economy

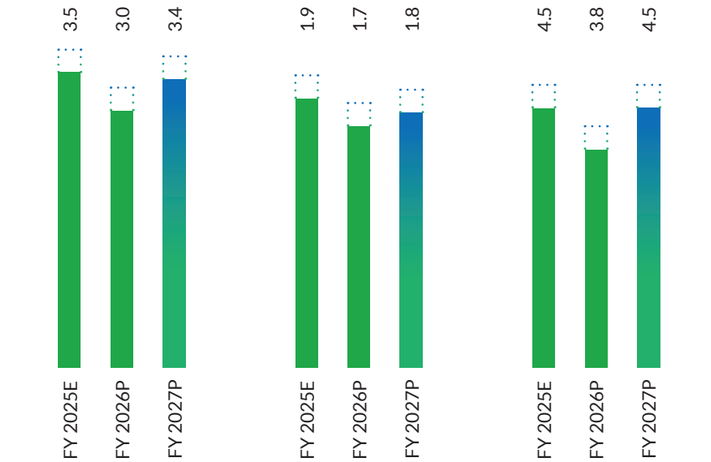
Global economic activity expanded at a measured pace through 2025, as cooling inflation, steady consumer expenditure, and continued investment in technology-led transformation held momentum in place. Softer commodity prices and smoother supply chains brought inflation down far enough for central banks in many regions to begin loosening policy. That recovery, however, was not evenly shared. Advanced economies slowed under subdued demand, fiscal consolidation and cooling labour markets, while emerging economies, Asia in particular, held a firmer pace on the strength of domestic consumption and favourable structural drivers.

That relative calm gave way to fresh volatility in early 2026 as geopolitical tensions sharpened across regions that matter to trade and energy. The US-Israel-Iran conflict unsettled global financial markets, amid disruptions along key maritime routes stretching from the Strait of Hormuz to the Red Sea and the Suez Canal, which drove energy prices and freight costs higher. Shifting trade policies and tariff actions added to the pressure, hastening a restructuring of global supply chains as businesses moved to diversify sourcing and built in greater resilience.

(Sources: https://www.imf.org/en/Publications/WEO, https://www.imf.org/en/blogs/articles/2026/04/14/war-darkens-global-economic-outlook-and-reshapes-policy-priorities, http://imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026)

The outlook remains uneven. Higher energy costs and persistent geopolitical risk continue to weigh on energy-importing and more exposed economies, even as countries woven into the global technology value chain draw strength from rising investment in AI and digital infrastructure. Disinflation, meanwhile, has lost pace, with price pressures proving more stubborn than expected. Risks are more balanced than they were in early 2026, though renewed geopolitical conflict and a possible repricing in financial markets still cloud the outlook. Against this backdrop, holding price stability, rebuilding fiscal buffers and shoring up resilience remain the priorities for policymakers.

Real GDP Growth Projections (in %)



E: Estimated | P: Projected

(Source: International Monetary Fund, World Economic Outlook Projections, July 2026)



Indian Economy

India held its position as the world's fastest-growing major economy during FY 2025-26, supported by robust domestic demand, stable macro-economic fundamentals and sustained policy initiatives. Growth remained broad-based, with resilient consumption, continued public capital expenditure and the country's favourable demographic advantage each contributing.

Domestic consumption remained the principal engine of growth throughout the year. Improved agricultural output and favourable monsoon conditions strengthened rural demand, while urban consumption benefited from rising formal employment, higher disposable incomes and expanding retail credit. Private Final Consumption Expenditure grew by 7.7% during FY 2025-26, spread across categories rather than concentrated in a few segments. Rising household incomes and improving consumer sentiment held up discretionary spending, providing a strong foundation for sustained economic expansion.

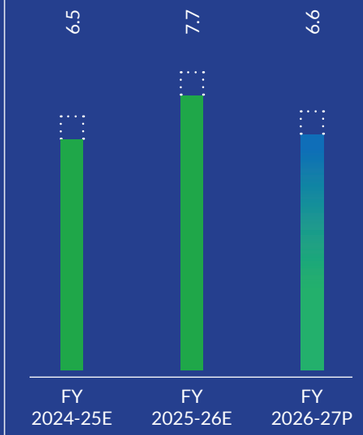
India further strengthened its standing as an attractive global manufacturing hub, as companies spreading supply-chain risk found a settled policy environment and a skilled workforce available to them.

Continued investments in infrastructure and logistics improved operational efficiencies, strengthened industrial competitiveness and supported long-term economic development. The economy, however, remained exposed to external challenges; volatility in crude oil prices, food inflation and geopolitical developments continued to pose potential risks to inflationary trends and external balances.

Running alongside consumption, sustained investments in urban infrastructure, healthcare, education, transportation and public institutions continued to advance India's development priorities. The Government's focus on expanding both physical and social infrastructure, alongside rising investments in commercial and institutional assets, improved service delivery, strengthened public assets and supported employment generation. Together, these reinforce the country's long-term growth trajectory.

(Sources: https://www.mospi.gov.in/uploads/latestReleases/latest_release_1780655857536_5ac01869-ca4a-422d-b7a7-57b81da60932_Press_Note_on_GDP_Estimates_for_Q4_2025-26_and_PE_FY_2025-26_F.pdf, https://www.newindianexpress.com/business/2026/Jun/05/rbi-cuts-fy27-growth-forecast-to-66-raises-inflation-projection-to-51-amid-geopolitical-tensions-2)

GDP Growth Projection (in %)



E: Estimated | P: Projected



Global Pharmaceutical Industry

Growth across the global pharmaceutical industry has held firm, as healthcare access widens, public health expenditure rises, and investment in research and development continues. The market was valued at approximately USD 1,738.0 billion in CY 2025 and is projected to reach USD 1,837.0 billion in CY 2026. Further out, it is expected to compound at a CAGR of 6.1% between CY 2026 and CY 2033, reaching an estimated USD 2,776.7 billion.



The forces behind this expansion are structural rather than cyclical. Chronic and non-communicable diseases (NCDs) now account for nearly 74% of global deaths, and that burden has lifted demand for long-term therapies and specialised treatments. Populations are ageing across developed and emerging economies alike, raising healthcare utilisation, while wider coverage and government-led vaccination programmes are bringing preventive care within reach of more people.

(Source: https://ncdalliance.org/why-ncds/NCDs)

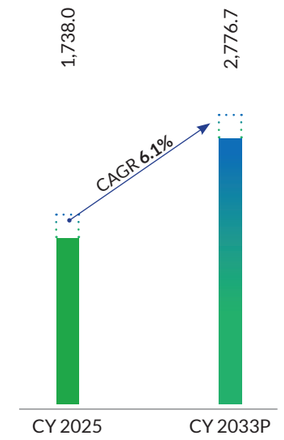
Innovation remains central to the industry's evolution. Advancements in biotechnology, including cell and gene therapies and allogeneic cell therapies, are expanding treatment possibilities across multiple therapeutic areas. Personalised medicine is finding wider adoption, and the rapid spread of telemedicine, e-pharmacies, and digital health platforms is reshaping how care is delivered. Investment in biopharmaceuticals and biosimilars continues to widen the range of treatments available. Artificial intelligence, now embedded across drug discovery and clinical development, is shortening research timelines, improving productivity, and holding development costs down.

Alongside the broader therapeutics market, pharmaceutical manufacturing, which covers Active Pharmaceutical Ingredients (APIs), contract manufacturing, and outsourced development services, is expanding on its own account. Demand for complex generic medicines, the drive to diversify supply chains, and wider adoption of continuous manufacturing technologies are each pulling it forward. The segment was valued at approximately USD 627.8 billion in CY 2025 and is expected to reach USD 665.3 billion in CY 2026, with continued investment in capacity, technology, and supply-chain resilience projected to carry it to a CAGR of 5.98% through CY 2034.

(Source: https://www.fortunebusinessinsights.com/pharmaceutical-manufacturing-market-116596)

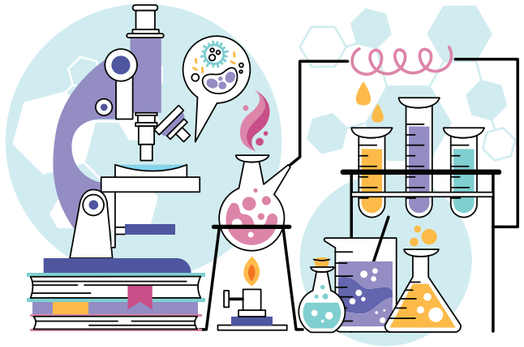
Global Pharmaceutical Market Size

(USD billion)



P: Projected

(Source: https://www.grandviewresearch.com/industry-analysis/pharmaceutical-market-report)



Indian Pharmaceutical Industry

India's place in the global pharmaceutical value chain continues to strengthen, built on manufacturing depth, cost competitiveness, and a growing focus on innovation. The domestic pharmaceutical industry is estimated to be valued at nearly USD 60 billion in 2026 and is projected to expand to USD 120-130 billion by 2030, with further growth anticipated as the sector advances towards its long-term vision for 2047.

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2270904)

The industry is shifting ground, moving from the volume-driven logic of 'Make in India' to the value-driven ambition of 'Develop in India'. Companies are increasing investment into complex generics, biosimilars, and deeper research capability, with greater emphasis on innovation and product development alongside manufacturing capabilities. Today, the country's pharmaceutical products are exported to more than 200 countries, supported by a significant manufacturing base, including nearly 1,000 US FDA-registered manufacturing facilities, representing one of the largest such facilities bases outside the United States. This extensive manufacturing and export footprint continues to reinforce India's position as a leading global pharmaceutical manufacturing hub.

Government policy has carried much of this forward, working on competitiveness, innovation, and access to healthcare at the same time. The Union Budget 2026-27 announced the Biopharma SHAKTI initiative with an outlay of ₹10,000 Crores over five years to build out biologics, clinical infrastructure and high-value therapeutics, the clearest signal yet of the move towards innovation-led biopharmaceuticals. The Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) has, meanwhile, expanded its network to more than 18,646 operational Jan Aushadhi Kendras as of February 2026, widening access to affordable medicines across the country.

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2270904)

Capital has followed. The Economic Survey 2025-26 records ₹13,193 Crores of Foreign Direct Investment (FDI) into the pharmaceutical sector up to September 2025, a measure of how investors read the sector's prospects. The Production Linked Incentive (PLI) Scheme for Bulk Drugs has run ahead of its investment commitments. By December 2025, ₹4,814 Crores had gone into greenfield projects, creating 56,800 metric tonnes per annum of capacity across 28 critical APIs, Key Starting Materials (KSMs), and drug intermediates. Each of these measures reduce import dependence while strengthening domestic self-reliance.

(Sources: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2243248&reg=3&lang=2, https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2242927&reg=3&lang=1)



Domestic Pharmaceutical Market

India's domestic pharmaceutical market ranks among the world's largest and among its fastest growing. Greater health awareness, rising disposable incomes, a deep manufacturing base, and sustained work on accessibility and affordability all sit behind that position. Demand is broadening across therapeutic segments as the burden of chronic disease grows, healthcare infrastructure expands, and quality medicines reach further.

The domestic pharmaceutical market recorded an annual turnover of ₹4.72 lakh Crores in FY 2024-25. Price revisions, new product launches, and healthy domestic demand are expected to hold that trajectory, with market participants projecting growth of 9-11% during FY 2025-26.

Chronic therapies are among the key drivers of the growth, particularly cardiac and anti-diabetic therapies, reflecting changing disease patterns and the increasing need for long-term care. Investment in research and development, higher budgetary allocations for the sector, and continued improvement in healthcare infrastructure are lending further support to the growth of pharmaceutical industry. In addition, the development of mega Bulk Drug Parks is expected to strengthen domestic manufacturing and make supply chains more efficient.

(Sources: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221080, https://www.crescendoworldwide.com/blogs/Whats-Next-for-Pharma-Predictions-for-the-Industry-in-2025)

Export Pharmaceutical Market

India remains the world's largest supplier of generic medicines and a trusted partner in global healthcare. A strong manufacturing base, a record of regulatory compliance, and cost competitiveness kept exports on their upward path through the year. Pharmaceutical exports reached USD 30.47 billion in FY 2024-25, registering 9.4% year-on-year growth, and increased further to approximately USD 31.11 billion in FY 2025-26. Global demand has held up, and the industry's stated ambition is USD 50 billion in exports by CY 2030.

(Sources: https://pharmexcil.com/, https://www.pib.gov.in/PressReleasePage.aspx?PRID=2270904)

India's pharmaceutical exports reached 191 countries in FY 2024-25, with the US remaining the largest export destination. India's global footprint has since expanded further, with pharmaceutical products now reaching more than 200 countries. According to the Economic Survey 2025-26, nearly 50% of India's pharmaceuticals exports are destined for highly regulated markets, underscoring the industry's regulatory capabilities, global competitiveness and established market presence. India's evolving trade policy framework is also creating opportunity for greater market access. The Free Trade Agreement (FTA) with the European Union, and the Comprehensive Economic and Trade Agreement (CETA) with the United Kingdom are expected to facilitate market access and liberalise tariffs on pharmaceutical products and medical devices, to the advantage of Indian manufacturers. The India-New Zealand FTA, concluded in December 2025, is also expected to contribute to greater diversification of India's pharmaceuticals export markets.

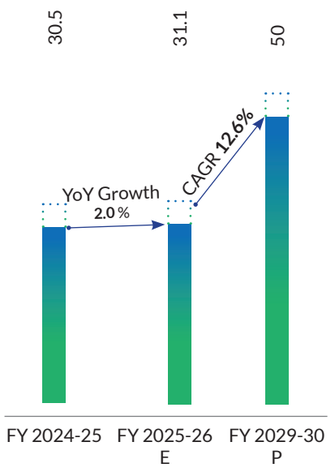
(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2243248&reg=3&lang=2)

India's role in global healthcare rests as much on vaccines as on generic medicines. The country accounts for 20% of global generic drug demand, while Indian manufacturers supply 55-60% of UNICEF's vaccine requirements, 99% of the World Health Organisation's (WHO) DPT vaccine demand, and substantial shares of BCG and measles vaccines. This is what stands behind the description of India as the 'Pharmacy of the World', an ability to deliver high-quality, affordable medicines and vaccines at scale.

(Source: https://www.ibef.org/industry/pharmaceutical-india)

Indian Export Pharmaceutical Market Size

(USD billion)



E: Estimated | P: Projected

(Sources: https://pharmexcil.com/, https://www.pib.gov.in/PressReleasePage.aspx?PRID=2270904)

Company Overview

Aarti Drugs Limited ('Aarti Drugs', 'The Company') is a prominent pharmaceutical company engaged in the manufacturing of Active Pharmaceutical Ingredients (APIs), pharmaceutical intermediates and speciality chemicals. A part of the Aarti Group, the Company has built a portfolio of more than 50 APIs alongside a small range of specialised finished products, spanning therapeutic segments that include antibiotic, antiprotozoal, anti-inflammatory, antidiabetic and antifungal therapies. Alongside the API business, the Company operates Pinnacle Life Science Private Limited, its wholly owned subsidiary focused on pharmaceutical formulations, extending its reach across the pharmaceutical value chain.

Over the years, the Company has pursued a long-term strategy centred on expanding manufacturing capacity, deepening backward integration, building its formulations portfolio and widening its presence in regulated markets. FY 2025-26 marked a step forward on each count, with key manufacturing facilities commissioned and scaled up, formulation capacity expanded, and important regulatory approvals secured. These developments have reinforced the Company's integrated manufacturing platform, improved operational readiness and positioned it to capitalise on higher-value opportunities across global markets.

The Company follows an adaptable manufacturing model that combines in-house manufacturing with selective outsourcing to hold flexibility and scalability. Its multi-purpose plants handle batch sizes from small-scale runs to multi-tonne production, allowing the Company to respond efficiently to varied customer requirements. R&D is anchored by dedicated centres at Turbhe, Navi Mumbai, working on complex generic formulations, and at Tarapur, Maharashtra, specialising in API process innovation. Located near key industrial corridors, these facilities support efficient operations, technological advancement and the consistent delivery of high-quality products.

Competencies

14
Manufacturing Facilities

6,876 MT
Monthly Capacity

50+
API Molecules

1,59,500+
Sq. m. Plant Area

80+
Finished Products

~38%
Export Revenue

Note: The numbers are on Consolidated Basis.



Product Portfolio

APIs

Aarti Drugs offers a broad spectrum of APIs, spanning multiple therapeutic segments, including:

Antibiotics: Ciprofloxacin Hydrochloride, Ofloxacin, Levofloxacin, Norfloxacin, and Enrofloxacin, among others

Antiprotozoals: Metronidazole, Tinidazole, and Metronidazole Benzoate, among others

Anti-diabetics: Metformin HCL, Pioglitazone, Vildagliptin, and Teneligliptin, among others

Anti-inflammatory: Diclofenac derivatives, Aceclofenac, Nimesulide, and Celecoxib

Antifungals: Ketoconazole, Tolnaftate, and Fluconazole.

Cardioprotectant: Clopidogrel Bisulphate, Ticlopidine HCL

Other categories

Speciality Chemicals

The Company is also engaged in developing a wide array of speciality chemicals, comprising:

- Benzenesulfonyl Chloride
- Derivatives of Chlorosulphonation Chemistry
- Other Products

Formulations

Wholly owned subsidiary, Pinnacle Life Science Private Limited has a diversified portfolio of finished pharmaceutical formulations, with a strong focus on oncology products. The Company manufactures tablets and capsules across various therapeutic segments, including oncology, cardiovascular, anti-infectives, anti-diabetic, gastrointestinal, analgesics and other therapeutic categories. Its oncology portfolio includes a range of targeted and supportive therapies for various cancers, while its non-oncology portfolio comprises products for diabetes, cardiovascular disorders, infections and other healthcare needs. Pinnacle also undertakes contract development and manufacturing activities (CDMO) and has developed a portfolio comprising more than 80 finished products for regulated and emerging markets. The Company has a significant export-oriented business and supplies its products to more than 90 countries globally.



Manufacturing Facilities

Particulars (MT)	FY 2023-24	FY 2024-25	FY 2025-26
Installed	57,179	61,053	82,512
Production	41,091	44,915	53,139
Captive	9,864	11,621	13,208
Net Production	31,227	33,294	39,931

Installed capacity expanded 35% during the year to 82,512 MT following the commissioning of two greenfield facilities, while production rose 18% to 53,139 MT. The resulting headroom represents the principal source of operating leverage available to the Company over the medium term.

Highlights for the Year

Methylamines Facility, Sayakha, Gujarat

Commissioned the methylamines facility, with commercial production commencing on September 4, 2025, and output scaling to nearly 1,000 tonnes per month by March 2026, strengthening backward integration for the Metformin portfolio at over 40% capacity utilisation.

1

Salicylic Acid Facility, Tarapur

Advanced the Tarapur Salicylic Acid facility, stabilising production at over 300 tonnes per month during the year. Production was paused in the fourth quarter pending installation of phenol recovery equipment, since operating below variable cost recovery serves little purpose. A four-part improvement programme covering phenol recovery, effluent cost, and an anti-dumping duty application is underway.

2

Formulations Business

Strengthened the formulations business with US FDA approval for the oncology manufacturing facility, UK MHRA approval for the oral solid dosage (OSD) facility, and EU GMP certifications for both manufacturing lines, enhancing the Company's capabilities to serve regulated markets.

3

Entry into Oncology Formulations

Secured regulatory approvals and completed filings for the Company's first oncology product, marking its entry into the oncology formulations segment. Commercial supplies are expected to commence progressively upon receipt of dossier approvals across target markets.

4

Research and Development

Aarti Drugs' R&D is led by a highly qualified team of doctorates, postgraduates, science graduates and engineering professionals, focused on process innovation, product quality improvement, and portfolio expansion. Its R&D centres are recognised by the Department of Scientific and Industrial Research (DSIR), a mark of the scientific standards they work to.

Its DSIR-approved facility at Tarapur, equipped with a pilot plant for kilo-scale pharmaceutical production, supports process optimisation, scale-up studies and efficient technology transfer from laboratory to commercial manufacturing. Collaborations with institutions such as the Institute of Chemical Technology (ICT) and CSIR laboratories, in turn, shorten the path to faster product development and commercialisation.

During the year, the Company continued to strengthen its R&D pipeline across APIs and formulations. Research remained focused on expanding the oncology portfolio and niche therapeutic segments such as cardio-diabetic therapies, while advancing proprietary dossiers for regulated and international markets. On the API side, the Company progressed value-added derivatives based on methylamines and salicylic acid chemistries, alongside the continuous addition of new molecules to its portfolio.

Subsidiaries

The Company's subsidiaries extend its manufacturing base, its reach into international markets, and the breadth of its product portfolio.

Pinnacle Life Science Private Limited

Pinnacle Life Science Private Limited is a wholly owned subsidiary of Aarti Drugs Limited engaged in the business of manufacturing and marketing finished pharmaceutical formulations. The Company has a diversified product portfolio across various therapeutic segments, with a strong focus on oncology formulations, along with products in cardiovascular, anti-diabetic, anti-infective, gastrointestinal and other therapeutic areas. Pinnacle also undertakes contract development and manufacturing activities and caters to customers across domestic and international markets.

Aarti Speciality Chemicals Limited

Based in Mumbai, Aarti Speciality Chemicals Limited is engaged in the manufacturing, processing and trading of speciality chemicals and pharmaceutical products. It widens the product range and supports integration across the value chain.



Pinnacle Chile SpA, with Pharma Go SpA and Tripharma Chile SpA

(Step-Down Subsidiaries through Pinnacle Chile SpA)

Headquartered in Santiago, Chile, these entities focus on marketing and distributing pharmaceutical formulations across the region, serving both public healthcare tenders and private sector customers.

Together, they widen the Company's global footprint, reinforce its integrated business model, and support the continued expansion of its pharmaceutical and speciality chemicals portfolio.

Distribution Network

The Company has established a well-diversified global distribution network that serves customers across 100+ countries. Products are exported through direct air and sea shipments, enabling efficient and cost-effective logistics for bulk consignments, while established distributor partnerships provide access to smaller and regional markets. The Company also follows a prudent credit risk management framework, supported by rigorous customer credit assessments, collaborations with international trading partners in select markets, and comprehensive trade credit insurance coverage. Together, these measures allow the Company to ensure reliable supply while effectively managing the financial risk associated with its extensive global export base.

Financial Highlights

On consolidated basis, total revenue for FY 2025-26 increased to ₹2,568 Crores from ₹2,403 Crores in the previous year, a rise of 6.8% YoY growth, driven by export volume expansion and strong growth in the formulations business, which offset pricing pressures in the API segment. EBITDA stood at ₹312 Crores, compared to ₹303 Crores in FY 2024-25, a rise of 3%, with an EBITDA margin of 12.1%. Margins were held back by the initial ramp-up costs associated with new greenfield facilities, elevated raw material and energy costs, and lower utilisation in the domestic antibiotic segment. Profit After Tax (PAT) increased to ₹195 Crores from ₹168 Crores, a rise of 16.0%, with a PAT margin of 7.6%. That gain came from lower finance costs following reduced leverage, and an improved revenue mix with a higher contribution from regulated markets.



Key Financial Ratios

Standalone Basis

Financial Parameters	FY 2024-25	FY 2025-26	Change (%)
Debt-Equity Ratio (Times)	0.41	0.30	(26.83)
Operating Profit Margin (%)	10.09	9.26	(8.23)
Net Profit Margin (%)	7.24	7.49	3.45
Return on Equity (%)	12.97	12.74	(1.77)
Return on Capital Employed (%)	12.85	11.10	(13.62)
Debtors' Turnover Ratio (Times)	3.81	3.72	(2.36)
Current Ratio (Times)	1.67	1.7	1.80
Interest Coverage Ratio (Times)	7.70	7.87	2.21
Inventory Turnover Ratio (Times)	4.39	4.81	9.57

Note:- The Debt-Equity Ratio decreased by 26.83% primarily due to efficient working capital management.

Consolidated Basis

Financial Parameters	FY 2024-25	FY 2025-26	Change (%)
Debt-Equity Ratio (Times)	0.45	0.37	(17.78)
Operating Profit Margin (%)	9.90	9.63	(2.73)
Net Profit Margin (%)	7.04	7.60	7.95
Return on Equity (%)	12.68	13.36	5.36
Return on Capital Employed (%)	12.43	11.46	(7.80)
Debtors' Turnover Ratio (Times)	3.87	3.83	(1.03)
Current Ratio (Times)	1.60	1.59	(0.62)
Interest Coverage Ratio (Times)	6.90	7.26	5.22
Inventory Turnover Ratio (Times)	3.66	3.87	5.74

Segmental Performance Highlights

Segment	FY 2025-26 (in ₹ Crores)
API	1,979.4
Formulations	331.2
Speciality Chemicals	178.3
Intermediates and Others	76.4

Outlook

The Company enters FY 2026-27 with its principal investment cycle complete and its focus shifting to utilisation, cost efficiency and mix. Both the greenfield assets at Sayakha and Tarapur are now commissioned. The methylamines facility at Sayakha is expected to progress towards utilisation levels above 70% over the coming year, improving captive coverage of critical intermediates for the anti-diabetic portfolio. At Tarapur, the improvement programme for salicylic acid, together with the commissioning of the derivatives block, is expected to move the facility towards variable cost recovery.

On the demand side, realisations have stabilised, and the share of regulated market business continues to increase, supported by the reapproved US FDA facility, European certifications secured across several dedicated plants and the Metformin DMF filed with the US FDA. The formulations business is expected to sustain its recent momentum as approvals convert into commercial supplies, with oncology contributing progressively as dossiers are cleared. Capital expenditure over the next few years is planned at ₹300 Crores to ₹400 Crores, directed largely towards expansion within adjoining blocks at existing sites, which should deliver a higher asset turn than the greenfield phase.

The Company remains watchful of elevated crude and input costs arising from the geopolitical situation in West Asia, which support API realisations while carrying the potential to moderate domestic demand in the antibiotic category. Taking these factors together, the Company expects a gradual improvement in profitability and return ratios over FY 2026-27 and beyond.

Human Resources

The Company treats its people as the foundation of sustainable growth, and works to keep the workplace inclusive, safe, and performance-driven. Through its Human Resources function, the Company provides equitable opportunities for learning, career development and cross-functional exposure, enabling employees to realise their full potential. As of March 31, 2026, the Company had 1,355 permanent employees across its manufacturing facilities and corporate office.

The Company continues to invest in employee skills through regular training programmes, technical workshops and leadership development programmes that support continuous learning and professional growth. During the year, it also strengthened its safety culture by investing in advanced GMP-compliant equipment and automation to minimise operational risks, and by completing a comprehensive safety audit to secure the required operational approvals. Taken together, these support employee well-being and the standard of operations the business depends on.





Environment, Health and Safety

Aarti Drugs continues to integrate sustainability into its operations through focused initiatives aimed at improving resource efficiency, reducing environmental impact and strengthening responsible manufacturing practices. The Company has implemented Zero Liquid Discharge (ZLD) systems across multiple facilities to maximise water recycling, while advanced technologies such as ATFD, ATFE, FBC boilers, MEE and MVR systems support efficient utilisation of energy and other critical resources. Dual-fired boilers, waste heat recovery systems and waste-to-energy initiatives also continue to improve energy efficiency across manufacturing operations. Environmental stewardship is further supported through the adoption of eco-friendly packaging materials, regular tree plantation drives and initiatives to expand green cover.

The Company also remains committed to maintaining high standards of occupational health and safety through regular employee training, emergency preparedness programmes and EHS systems aligned with internationally recognised ISO standards. The Company was assigned an independent CRISIL ESG rating of 52 during the year and retained its EcoVadis Silver Rating, placing it among the top-performing organisations globally.

Internal Controls

Aarti Drugs has established a comprehensive internal control framework designed to ensure operational efficiency, safeguard assets, maintain the accuracy of financial reporting and support compliance with applicable laws and regulations. The framework is periodically reviewed by the Audit Committee to ensure its effectiveness and alignment with the Company's evolving business requirements.

The Company complements its internal control processes through periodic audits conducted by an independent firm of Chartered Accountants. Audit observations are reviewed by the Audit Committee and the management, with appropriate corrective actions implemented to strengthen governance, mitigate risks and improve process efficiency.

Together, these arrangements are designed to prevent fraud and error, maintain accurate accounting records, and ensure the timely preparation of reliable financial information.

Cautionary Statement

This Management Discussion and Analysis contains forward-looking statements that reflect the Company's current expectations regarding future events and business performance. Actual results may differ materially from those expressed or implied due to various factors, including changes in economic conditions, government policies, regulatory developments, taxation laws, market dynamics and other risks and uncertainties beyond the Company's control.



DIRECTORS' REPORT

To,
The Members of
AARTI DRUGS LIMITED

Your Board of Directors ("Board") are pleased to present this 41st (forty-first) Annual Report on the business and operations of your Company ("the Company" or "Aarti Drugs Limited") together with the Audited Financial Statements of the Company for the financial year ended March 31, 2026.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Revenue from Operations	2,26,039	2,17,365	2,56,531	2,38,703
Other income	259	1,357	239	1,636
Total Revenue	**2,26,298**	**2,18,722**	**2,56,770**	**2,40,339**
Total Expenditure	**2,08,167**	**1,98,847**	**2,35,680**	**2,19,162**
Profit before Depreciation, Amortisation, Interest and tax Expenses	**26,333**	**27,622**	**31,158**	**30,342**
Finance Cost	2,638	2,968	3,371	3,587
Depreciation & Amortisation	5,564	4,779	6,697	5,578
Profit before Exceptional Items and Tax	**18,131**	**19,875**	**21,090**	**21,177**
Exceptional Income	-	-	-	-
Profit Before Tax	**18,131**	**19,875**	**21,090**	**21,177**
Less: Total Tax Expenses	1,208	4,144	1,596	4,367
Profit after Tax	**16,922**	**15,731**	**19,494**	**16,810**
Earnings Per Share (in ₹)	**18.54**	**17.18**	**21.36**	**18.35**

Summary

During the year under review, Standalone Revenue from operations of the Company was ₹ 2,26,039 lakhs as compared to ₹ 2,17,365 lakhs for FY 2024-25. The Company has achieved Export Sales of ₹ 85,174 lakhs as against ₹ 76,921 lakhs for the last year.

Likewise, Consolidated Revenue from operations of the Company was ₹ 2,56,531 lakhs as compared to ₹ 2,38,703 lakhs for FY 2024-25. On Consolidated basis, The Company has achieved Export Sales of ₹ 99,642 lakhs as against ₹ 86,533 lakhs for the last year.

Consolidated Financial Statements

In accordance with the provisions of Companies Act, 2013, Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the FY 2025-26, together with the Auditors' Report, form part of this Annual Report.

TRANSFER TO RESERVES

Your Company has transferred ₹ 1692.21 lakhs to the General Reserve (Previous Year ₹ 1573.15 lakhs).

DIVIDEND

During the year, the Company has declared and paid an Interim Dividend of ₹ 2/- (@ 20%) each per share (of ₹ 10/- each) aggregating to ₹ 1825.4 lakhs.

The Dividend payout is in accordance with the Dividend Distribution Policy which is available on the website of the Company.

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the Listing Regulations, the top 1000 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. A policy is available on the website of the Company and the weblink thereto is: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/

DIRECTORS' REPORT (CONTD.)

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	120000000	10	120,00,00,000
Issued, Subscribed & Paid-up Share Capital	91270000	10	91,27,00,000

During the FY 2025-26, there was no change in the authorised and paid up share capital of the Company.

SUBSIDIARY COMPANIES

At the beginning of FY 2025-26, the Company had 3 (three) subsidiaries, namely, Pinnacle Life Science Private Limited, Aarti Speciality Chemicals Limited and Pinnacle Chile SpA. The Company also had one step-down subsidiary, Pharma Go SpA.

During the year, the Company has incorporated the following Step-down Subsidiary through its Subsidiary Company, Pinnacle Chile SpA;

Name of the Subsidiary	Date of Incorporation	Country of Incorporation	Purpose of Incorporation
Tripharma Chile SpA	February 27, 2026	Santiago, Chile	Marketing the formulation drugs and participating in tender and private market in Chile.

Of the above subsidiaries, Pinnacle Life Science Private Limited and Aarti Speciality Chemicals Limited are wholly owned subsidiaries. Pinnacle Life Science Private Limited has been classified as the material subsidiary as it fulfills the criteria given under Regulation 16(1)(c) of the Listing Regulations. Pursuant to Regulation 24A of the Listing Regulations, the Secretarial Audit Report as prescribed in Section 204 of Companies Act, 2013 for the Material Subsidiary Company, Pinnacle Life Science Private Limited for financial year ended March 31, 2026 is annexed as **"Annexure –D2"** and forms an integral part of this Report.

The Company has attached along with its financial statements, a separate statement containing the salient features of the financial statements of the said subsidiaries in "Form AOC-1" which is annexed as **"Annexure - A"** and forms an integral part of this Report.

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. Also in conformity with Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014, Note 37 of Consolidated Financial Statement covers the highlights of performance of subsidiaries and their contribution to the overall performance of the Company during the year.

The Company does not have any Associate Company or Joint Venture within the meaning of Section 2(6) of the Companies Act, 2013. A policy on material subsidiaries has been formulated and is available on the website of the Company at the weblink https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/

STATE OF AFFAIRS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPS)

Composition:

In accordance with the prevailing provisions of the Section 149 of the Companies Act, 2013 read with Regulation 17 of the Listing Regulations, as amended from time to time, as on March 31, 2026, the Board of Directors, comprises Twelve Directors (with Five Executive Directors, One Non-Executive Director and Six Non-Executive Independent Directors including One Woman Independent Director). The Chairman of the Board is an Executive Director. The Board has highly qualified members and having varied experience in their respective fields.

There were no changes in the composition of the Board of Directors and KMPs during the year under review.

Appointment/ Reappointment:

Pursuant to the approval of the Members at the Annual General Meeting ("AGM") held on September 04, 2021, the current term of Shri Prakash Moreshwar Patil (DIN: 00005618) is scheduled to expire on May 31, 2027.

Shri Prakash Moreshwar Patil, vide his communication to the Board, expressed his desire to retire from the position of Chairman, Managing Director & CEO of the Company with effect from the close of business hours on

September 30, 2026, with a view to taking early retirement. He expressed his belief that the present time is appropriate for an orderly leadership transition.

The Board, at its meeting held on July 31, 2026, accepted his request with deep appreciation and gratitude for his visionary leadership, unwavering commitment and invaluable contribution to the growth and success of the Company over the years.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on July 31, 2026, has approved the appointment of Shri Adhish Prakash Patil (DIN: 02629496) as the Managing Director of the Company with effect from October 01, 2026, subject to the approval of the Members at the ensuing AGM.

The Board recommends the appointment of Shri Adhish Prakash Patil as Managing Director of the Company for consideration and approval of the Members. His brief resume and other requisite details are provided in the Notice convening the ensuing AGM.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on July 31, 2026, have proposed the appointment of Shri Nilesh Bhalchandra Patil (DIN: 08616943) as a Whole-time Director of the Company, liable to retire by rotation, in place of Shri Uday Moreshwar Patil (DIN: 01186406), who retires by rotation at the ensuing AGM in accordance with the provisions of the applicable laws and the Articles of Association of the Company.

Shri Uday Moreshwar Patil has not offered himself for re-appointment as a Director due to his preoccupation and personal commitments. Accordingly, the Board has proposed the appointment of Shri Nilesh Bhalchandra Patil as a Whole-time Director for the approval of the shareholders at the ensuing AGM. The brief resume and other requisite details of Shri Nilesh Bhalchandra Patil are provided in the Notice convening the AGM.

The Board places on record its sincere appreciation for the valuable contribution and guidance provided by Shri Uday Moreshwar Patil during his tenure and for his contribution towards the growth and success of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, Your Directors have also recommended, for the approval of the Members, the renewal of the terms of Shri Harshit M. Savla (DIN: 00005340) as Joint Managing Director and Shri Harit P. Shah (DIN: 00005501) as Whole-time Director of the Company, whose present terms are due to expire on May 31, 2027.

In addition, your Directors recommend, for the approval of the Members, the re-appointment of Independent Directors, Shri Hasmukh B. Dedhia (DIN: 07510925), Shri Ajit E. Venugopalan (DIN: 09439069) and Shri Sandeep M. Joshi (DIN: 00516409), for a second term of 5 (five) consecutive years at the ensuing AGM, in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Pursuant to Regulation 36(3) of the Listing Regulations read with Secretarial Standard-2 on General Meetings, the brief profile of the Director to be appointed/re-appointed is made available, as an Annexure to the Notice of the Annual General Meeting.

Pursuant to the provisions of Regulation 34(3) read with Schedule V to the Listing Regulations, the Company has obtained a Certificate from CS Monali B. Bhandari (COP No. 10272), of M/s. Mehta & Mehta, Company Secretary in Practice and 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 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.

Key Managerial Personnel:

During the year under review, there was no change in the Key Managerial Personnel of the Company.

Independent Directors:

In accordance with Section 149(7) of the Companies Act, 2013, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after due assessment of the veracity of the same.

In the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Listing Regulations and are independent from Management and hold the highest degree of integrity and are individuals who are experts in their respective fields

with enormous experience. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company at the weblink: https://www.aartidrugs.com/corporate-governance-independent-directors/

All the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

All the Independent Directors of the Company have enrolled their names in the 'Independent Directors Data Bank' maintained by Indian Institute of Corporate Affairs ("IICA").

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a Familiarisation programme for its Independent Director which is imparted at the time of appointment of an Independent Director on Board as well as on annual basis. During the year, the Independent Directors of the Company were familiarised and the details of familiarisation programmes imparted to them are placed on the website of the Company and the weblink thereto is: https://www.aartidrugs.com/corporate-governance-independent-directors/

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5), your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a. in the preparation of the annual financial statements for the year ended March 31, 2026, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;

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 and loss 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;

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.

MEETINGS OF THE BOARD

The Board of Directors met Six (6) times during the financial year under review. The details of the number of meetings of the Board and its Committees held during the FY 2025-26 and the attendance of each Director/Member at these meetings are provided in the Corporate Governance Report forming part of this Annual Report. The intervening gap between the Board meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

ANNUAL BOARD EVALUATION

The Company has a structured assessment process, wherein the Nomination and Remuneration Committee of the Company has laid down the criteria of performance evaluation of the Board, its Committees and the Directors, including the Chairman. The evaluations are carried out in a confidential manner and each member of the Board provides his/her feedback by rating based on various metrics.

Under the two layers evaluation process, Independent Directors evaluate the performance of the Board of Directors, Non-independent Directors and the Chairman of the Company. Later the Board of Directors evaluate performance of the Board itself, its Committees and the Board members.

Under the fast changing regulatory regime, business scenario and Industry trend, an annual performance evaluation process aims to improve the effectiveness of the Board, its Committees and the individual members.

With a specific focus on functioning of the Board, Individual Roles & Responsibilities; the criteria of assessment includes; Board Composition, governance procedures, managing conflict of interest, contribution to Company's long-term strategy, flow of information on key strategic matters, investment / Capex, opportunities, quality of discussions at the meeting, leadership, succession planning, adequacy of risk management measures and overall value creation to all the stakeholders.

Rating given by the individual member against each criteria of assessment is kept strictly confidential and the abstract

/ summary is presented to the Independent Directors and the Board of Directors along with the suggestions from the members for deliberation/ discussion on improvements wherever required.

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

NOMINATION AND REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, your Company has in place a Nomination and Remuneration 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 said policy has been posted on the website of the Company and the weblink thereto is: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/

The details of this policy are given in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company, directly and also through various implementing agencies undertake community interventions to enhance the lives of the communities. Besides our direct involvement, we partner with numerous implementing agencies to carry out need assessment and make impactful interventions. Our Focus areas during the year have been;

- Cluster & Rural Development
- Education & Skill Development
- Healthcare Facilities
- Livestock Development
- Tribal Welfare
- Women Empowerment & Livelihood Opportunities
- Water Conservation & Environment sustainability

The above activities are aligned to the requirements of Section 135 of the Act read with Schedule VII.

The detailed policy on Corporate Social Responsibility is available on the website of the Company on the weblink thereto is: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/

A brief note on various CSR initiatives undertaken during the year including the composition of the CSR Committee is presented in this Annual report. The CSR annual report is annexed as **Annexure- B** and forms an integral part of the Report.

The details of the composition of the CSR Committee and its term of reference are set out in the Corporate Governance Report, which is a part of this Report.

AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of the Listing Regulations.

The details of the composition of the Audit Committee, terms of reference, meetings held and other relevant information are provided in the Corporate Governance Report, which forms part of this Report. During the year there were no cases where the Board had not accepted any recommendation of the Audit Committee.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism and Whistle Blower Policy for its Directors and Employees in compliance with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behaviour, actual or suspected fraud, actual or suspected leak of UPSI or violation of Company's Code of Conduct. It also provides for adequate safeguards against the victimisation of directors, employees or any other person who avail the mechanism and allows direct access to the chairperson of the audit committee in exceptional cases. The said policy has been posted on the website of the Company and the weblink thereto is: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/

The Company affirms that no person has been denied access to the Chairman of the Audit Committee.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transaction and dealing with Related Party Transaction which is uploaded on the Company's website at the weblink: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/

All related party transactions that were entered into during the FY 2025-26 were on arm's length basis and were carried out in the ordinary course of the business. 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.

All the related party transactions are approved by the Audit Committee. An Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. 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 half yearly basis and the same is placed before the Audit Committee.

The details of related party transactions are provided in the accompanying financial statements.

In terms of Regulation 23 of Listing Regulations, the Company submits details of related party transactions on a consolidated basis as per the specified format to stock exchanges on half yearly basis.

Particulars of contracts or arrangements made with related parties

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.

CREDIT RATING

Below are the details of Credit Ratings as on March 31, 2026;

Facilities	CRISIL Rating	ICRA Rating
Long Term Rating	CRISIL AA-/Stable	ICRA AA-/Stable
Short Term Rating	CRISIL A1+	ICRA A1+

DEPOSITS

The Company has not accepted any deposits from the public in terms of the Companies Act, 2013. Further, no amount on account of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet. The Company does not have any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of loans given, investments made, guarantees given and securities provided during the year under review and as covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the notes to the standalone financial statements forming part of the Annual Report.

PARTICULARS OF EMPLOYEES

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 forms part of this Report and annexed as Annexure - C. As per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) 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.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

Your Company recognises human resource as one of its prime resources. Your Company enjoyed excellent relationships with workers and staff during the year under review and considers them their most important assets. Your Company cares for its people, customers, suppliers, and community at large which reflects in the Company's policy, programmes and development efforts. As on March 31, 2026, the Company had 1355 permanent employees at its manufacturing plants and administrative office which includes 1199 males and 156 females. Your Company is committed to build and strengthen our human capital by defining policies that support their growth, goals and help them achieve excellence.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of Company to which the financial statements relate and the date of this Directors' Report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after

the completion of seven years. Further, according to the rules, the shares on which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more shall be transferred to the Demat account of the IEPF Authority. Accordingly the Company has transferred the unclaimed and unpaid dividends and corresponding shares as per the requirement of the IEPF Rules. The details about the same are posted on website of the Company and weblink thereto is: https://www.aartidrugs.com/shareholders-information-unclaimed-dividend/

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2026 is available in prescribed format on the website of the Company at the weblink: https://www.aartidrugs.com/reports-fillings-annual-return/

CORPORATE GOVERNANCE

Corporate Governance essentially involves balancing the interests of a Company's stakeholders. Corporate Governance practices of our Company are a reflection of our values, polices and relationship with our stakeholders. Your Company has complied with the mandatory Corporate Governance norms as stipulated under Listing Regulations. Report on Corporate Governance as specified under Regulation 34(3) read with Schedule V of the Listing Regulations is annexed hereto forming part of this report together with certificate from the Statutory Auditor regarding report on Corporate Governance.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report with detailed review of operations, performance and future outlook, as stipulated under Regulation 34 read with Schedule V to the Listing Regulations is presented in a separate section forming part of this Annual Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

The BRSR indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. This would enable the Members to have an insight into Environmental, Social and Governance initiatives of the Company.

BRSR for the year under review, as stipulated under Regulation 34(2)(f) of Listing Regulations read with SEBI Circulars, has presented in a separate section forming part of the Annual Report.

RISK MANAGEMENT

Your Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company aims to use risk management to take better informed decisions and improve the probability of achieving its strategic and operational objectives.

In compliance with Regulation 21 of Listing Regulations, your Company has a Risk Management Committee consisting of Shri Prakash M. Patil (Chairman), Shri Rashesh C. Gogri, Shri Harit P. Shah, Shri Harshit M. Savla, Shri Uday M. Patil, Shri Narendra J. Salvi, Shri Bhaskar N. Thorat, Shri Ankit V. Paleja, Shri Adhish P. Patil and Shri Dhanaji L. Kakade.

The Committee through its dynamic risk management framework continuously identifies, evaluates and takes appropriate measures to mitigate/ minimise various elements of risks. The Risk Management Committee meets twice in a year, to ensure that appropriate methodologies, processes and systems are in place to monitor and evaluate risks associated with the business of the Company and also to monitor and oversee the implementation of the Risk Management Policy.

COMPLIANCE MANAGEMENT SYSTEM

The Company with its sheer focus committed to achieve 100% compliance. We have adopted a third-party managed IT-based Compliance Management System. It has a repository of all applicable regulations and requisite compliances. It has an in-built alert system that sends alerts to the users and intimates concerned personnel about upcoming compliances. The Board periodically monitors the status of compliances with applicable laws.

SAFETY, HEALTH AND ENVIRONMENT

Your Company is committed to ensure a sound Safety, Health and Environment (SHE) performance related to its activities, products and services. Your Company has been continuously taking various steps to develop and adopt Safer Process technologies and unit operations. Your Company is making continuous efforts for adoption of safe & environmental friendly production processes. Monitoring and periodic review of the designed SHE Management System are done on a continuous basis.

STATUTORY AUDITORS & AUDITORS' REPORT

In accordance with the provisions of Section 139 of the Companies Act, 2013, the members at the 38th Annual General Meeting held on September 26, 2023 had approved the appointment of Gokhale & Sathe, Chartered Accountants

(Firm Registration No. 103264W) as the Statutory Auditor of the Company for a term of 5 years, to hold office till the conclusion of 43rd Annual General Meeting of the Company.

There are no qualifications, reservations or adverse remarks or disclaimer made by the Auditor in their report. The Auditor's Report is enclosed with the financial statements forming part of this Annual Report. The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

COST AUDITORS & RECORDS

In terms of the Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014, the Company is required to maintain cost accounting records and have them audited every year.

The Board on the recommendation of the Audit Committee has appointed GMVP & Associates LLP, Cost Accountant (Firm Registration No. 000910) as Cost Auditor of the Company for FY 2026-27 under Section 148 and all other applicable provisions of the Act. Shareholder's approval is being sought for ratification of the Remuneration proposed to be paid to GMVP & Associates LLP, Cost Auditor of the Company in respect of Cost Audit for the financial year ending March 31, 2027 as mentioned in the Notice convening the Annual General Meeting.

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

SECRETARIAL AUDITOR & REPORT

Pursuant to the provisions of Regulation 24A & other applicable provisions of the SEBI Listing Regulations, Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the members at the 40th Annual General Meeting held on September 24, 2025 had approved the appointment of M/s Mehta & Mehta, Practicing Company Secretaries (Firm Registration Number: P1996MH007500) (PR No. 3686/2023), as the Secretarial Auditor of the Company for a term of 5 consecutive years, to hold office till the conclusion of 45th Annual General Meeting of the Company.

Pursuant to provisions of Section 204(1) of the Companies Act, 2013 and Regulation 24A of the Listing Regulations, the Secretarial Audit Report for the Financial year ended March 31, 2026 issued by CS Monali B. Bhandari (COP No. 10272), of M/s. Mehta & Mehta., Company Secretary in Practice and the Secretarial Auditor of the Company is annexed as **Annexure- D1** 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.

There is no qualification, reservation or adverse remark or disclaimer made by the Auditor in their report. As regards to the observations of Secretarial Auditor in their report, the same are self-explanatory and adequate measures have been taken to comply with the requirements of relevant SEBI regulations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has clearly laid down policies, guidelines and procedures that form part of internal control systems, which provide for automatic checks and balances. Your Company has maintained a proper and adequate system of internal controls. The Company has appointed Raman S. Shah & Associates, Chartered Accountants as an 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 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.

Statutory Auditors Report on Internal Financial Controls as required under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 is annexed with the Independent Auditors' Report.

SECRETARIAL STANDARDS COMPLIANCE

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

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

Your Company is fully committed to uphold and maintain the dignity of every woman working with the Company. The Company has Zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment at workplace'. 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 Company has complied with the provisions relating to the constitution of Internal Complaints Committee ("ICC") under the Sexual Harassment of Women at Workplace

DIRECTORS' REPORT (CONTD.)

(Prevention, Prohibition and Redressal) Act, 2013. ICC has been set up to redress complaints received regarding sexual harassment.

The awareness is provided to all the employees through Online Training. Upon joining it is mandatory for each employee to participate and gain adequate knowledge of all the policies and codes to ensure Governance level of the Company.

The status of the Complaints during the FY 2025-26 is as follows:

Particulars	No. of Complaints
Number of Complaints pending as on beginning of the financial year	0
Number of Complaints received during the financial year	0
Number of Complaints disposed off during the financial year	0
Number of cases pending for more than 90 days	0
Number of Complaints pending as on the end of the Financial Year	0

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, are provided in **Annexure- E** to this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS

During the period under review, there were no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

For and on behalf of the Board

Sd/-
Prakash M. Patil
Chairman, Managing Director & CEO
DIN: 00005618

Place: Mumbai
Date: August 27, 2026

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 Financial Year 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.

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

COMPLIANCE WITH THE PROVISIONS OF MATERNITY BENEFITS ACT, 1961

The Company has duly complied with the provisions of the Maternity Benefits Act, 1961 ensuring all eligible employees receive the benefits and protections as mandated under the Act.

ACKNOWLEDGEMENT

The Board of Directors places 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, Suppliers, other business associates and various other stakeholders.

Sd/-
Harshit M. Savla
Joint Managing Director
DIN: 00005340

Sd/-
Rushikesh V. Deole
Company Secretary
ICSI M.No. F12932

ANNEXURE - A

FORM AOC-1

[Pursuant to first proviso to sub – section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Account) Rules, 2014]

Statement containing salient features of Financial Statements of Subsidiaries / Associate Companies / Joint Ventures

Part "A" – Subsidiaries

Sr. No	CIN/ any other registration number of subsidiary company	Name of Subsidiary Company	Date since when subsidiary was acquired	Provisions pursuant to which the Company has become a subsidiary [Section 2(87)(i)/ Section 2(87)(ii)]	Reporting Currency & Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	U24232HP2003PTC030912	Pinnacle Life Science Private Limited	September 04, 2014	2(87)(i) and 2(87)(ii)	INR	806.09	18384.29	45474.83	45474.83	0.50	30815.57	2595.41	387.92	2207.48	0.00	100
2	U24230MH2019PLC333306	Aarti Speciality Chemicals Limited	November 20, 2019	2(87)(i) and 2(87)(ii)	INR	42.00	(38.07)	4.08	4.08	0.00	0.00	(0.55)	0.00	(0.55)	0.00	100
3	77091384-5	Pinnacle Chile SpA	October 24, 2019	2(87)(i) and 2(87)(ii)	**CLP (Chilean Peso)**	3489.82	3923.74	89358.81	89358.81	20	77892.82	1672.56	0.46	1672.1	0.00	95
					INR	326.04	422.61	9025.11	9025.11	2.02	7457.55	176.26	0.04	176.22	0.00	
4	77996931-2	Pharma Go SpA	November 26, 2024	2(87)(i) and 2(87)(ii)	**CLP (Chilean Peso)**	10	(1340.81)	8461.42	8461.42	0	4986.22	(1340.81)	0	(1340.81)	0.00	95 (through Pinnacle Chile SpA)
					INR	1	(135.41)	854.60	854.60	0	501.03	(132.12)	0	(132.12)	0.00	
5	78.367.004-6	Tripharma Chile SpA	February 27, 2026	2(87)(i) and 2(87)(ii)	**CLP (Chilean Peso)**	10	(33.84)	10.09	10.09	0	0	(33.84)	0	(33.84)	0.00	95 (through Pinnacle Chile SpA)
					INR	1	(3.41)	1.02	1.02	0	0	(3.42)	0	(3.42)	0.00	

Note:

1. The Financial Statement of Pinnacle Chile SpA , Pharma Go SpA and Tripharma Chile SpA whose reporting currency is Chilean Peso (CLP) are converted into Indian Rupees (₹) on the basis of approximate exchange rate as per the applicable accounting standard. As at March 31, 2026 CLP 1 = ₹ 0.101
2. Pinnacle Chile SpA, Subsidiary of the Company has incorporated Tripharma Chile SpA as its Wholly-owned Subsidiary on February 27, 2026. Therefore Pharma Go SpA is a step-down subsidiary of the Company.

For and on behalf of the Board

Sd/-
Prakash M. Patil
Chairman, Managing Director & CEO
DIN: 00005618

Sd/-
Adhish P. Patil
Chief Financial Officer

Place: Mumbai
Date: August 27, 2026

ANNEXURE - B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2025-26

1. **Brief outline on CSR Policy of the Company:-** 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 rules made thereunder as amended time to time.

2. **Composition of CSR Committee:**

Sr. no.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the Year	Number of meetings of CSR Committee attended during the year
1	Shri Bhaskar N. Thorat	Chairman of Committee / Independent Director	1	1
2	Shri Prakash M. Patil	Member / Executive Director	1	1
3	Shri Rashesh C. Gogri	Member / Executive Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:- **Not Applicable for the year under review**.

			(₹ In lakhs)
5.	(a)	Average net profit of the Company as per section 135(5)	20,104.20
	(b)	Two percent of average net profit of the Company as per section 135(5)	402.08
	(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	11.71
	(e)	Total CSR obligation for the financial year (b) +(c)-(d)	390.37
6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than ongoing Project)	414.26
	(b)	Amount spent in administrative overheads	Nil
	(c)	Amount spent on Impact Assessment, if applicable	Not Applicable
	(d)	Total Amount spent for the Financial Year [(a) + (b) +(c)]	414.26

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

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

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

(₹ In lakhs)

Sr No.	Particular	Amount
(i)	Two percent of average net profit of the Company as per sub section (5) of section135 [Total CSR Obligation as mentioned in para 5(e)]	390.37
(ii)	Total amount spent for the Financial Year	414.26
(iii)	Excess amount spent for the financial year [(ii)-(i)]	23.89
(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)]	23.89

ANNEXURE - B (CONTD.)

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

(₹ In lakhs)

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section(6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount spent in the Financial Year (₹ In lakhs)	Amount transferred to any 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	Deficiency, if any
					Amount	Date of transfer		
NIL								

8. Whether any capital asset have been created or acquired through Corporate Social Responsibility amount spent in the financial year: **No**

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub section (5) of section 135:- **Not applicable**

Sd/-
Prakash M. Patil
Managing Director & CEO
(Member of CSR Committee)
DIN: 00005618

Sd/-
Bhaskar N. Thorat
Independent Director
(Chairman of CSR Committee)
DIN: 01293824

Place: Mumbai
Date: August 27, 2026

ANNEXURE - C

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
Executive Directors		
Shri Prakash M. Patil	58:1	Refer Note No. 2
Shri Rashesh C. Gogri	52:1	
Shri Harshit M. Savla	52:1	
Shri Harit P. Shah	52:1	
Shri Uday M. Patil	8:1	
Non-Executive Directors		
Shri Narendra J. Salvi	0.22:1	Refer Note No. 3
Shri Ankit V. Paleja	0.50:1	
Shri Bhaskar N. Thorat	0.42:1	
Smt Neha R. Gada	0.60:1	
Shri Hasmukh B. Dedhia	0.56:1	
Shri Sandeep M. Joshi	0.32:1	
Shri Ajit E. Venugopalan	0.51:1	
Key Managerial Personnel		
Shri Adhish P. Patil (Chief Financial Officer)	-	Refer Note No. 2
Shri Rushikesh V. Deole (Company Secretary)	-	31%

Note:

1. The ratio of Remuneration of the 'Executive Directors to Median Remuneration of Employees' is calculated on the basis of Actual payment of fixed salary (including the value of perquisites) and Profit Related Commission/ Performance linked incentives for FY 2025-26 paid to Executive Directors.
2. % Increase in Remuneration of Executive Directors and CFO is mainly on account of ~9% Increase in the fixed salary as compared to the last year, whereas overall remuneration has decreased due to decline in Profit related Commission/ Performance linked incentives.
3. The Non-Executive Directors are paid remuneration in the form of sitting fees for attending the meetings of the Board and/or Committees thereof during the year. Increase/decrease in remuneration during the year is due to increase/decrease in the number of meetings and rate of sitting fees per meeting.

B. The percentage increase in the median remuneration of employees in FY 2025-26: 9.40%

C. The number of permanent employees on the rolls of the Company as on March 31, 2026: 1355

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*)	10.63%
Average increase in remuneration of Managerial Personnel*	12.57%

*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

Sd/-
Prakash M. Patil
Chairman, Managing Director & CEO
DIN:00005618

Place: Mumbai
Date: July 31, 2026

ANNEXURE - D1

FORM NO. 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 Drugs Limited
(CIN: L37060MH1984PLC055433)
Plot No 198 MIDC Tarapur,
Tal. Palghar Village Pamtembhi, Dist. Thane,
Maharashtra, India, 401506.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aarti Drugs Limited (CIN: L37060MH1984PLC055433)** (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 **31st March, 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 financial year ended on March 31, 2026 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, 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; **(Not applicable to the Company during the Audit period)**

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.

ANNEXURE - D1 (CONTD.)

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 C.P. No. 10272
UDIN: A027091H000988568
PR No.: 7281/2025

Place: Mumbai
Date: 31.07.2026

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 - D1 (CONTD.)

ANNEXURE 'A'

To,
The Members,
Aarti Drugs Limited
Plot No 198 MIDC Tarapur,
Tal. Palghar Village Pamtembhi, Dist. Thane,
Maharashtra, India, 401506.

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 C.P. No. 10272
UDIN: A027091H000988568
PR No.: 7281/2025

Place: Mumbai
Date: 31.07.2026

ANNEXURE - D2

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,
Pinnacle Life Science Private Limited
(CIN: U24232HP2003PTC030912)
Near Telephone Exchange,
Manpura, Baddi,
Himachal Pradesh 173205

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pinnacle Life Science Private Limited (CIN: U24232HP2003PTC030912)** (hereinafter called the Company) which is a wholly owned material subsidiary of Aarti Drugs Limited. 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 **31st March, 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- **Not applicable to the Company**

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings; **Not applicable to the Company.**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') which were not applicable to the Company during the Audit Period:-

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

(b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");

(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations,2018;

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.

ANNEXURE - D2 (CONTD.)

(ii) The SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, entered into by the Company with BSE Limited and National Stock Exchange India Limited- **Not applicable to the Company**.

We further report that based on review of compliance system prevailing in the Company, we are 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 and Cosmetic Act, 1940 and Rules made thereunder;

(b) The Explosive Act, 1884 and Rules made thereunder;

(c) The Insecticides Act, 1968;

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

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

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

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

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

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

(j) Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016; and

(k) Public Liability Insurance Act, 1991

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. During the period under review, there were changes in the composition due to the resignation and appointment of Directors and Key Managerial Personnel (KMP).

Notices of Board Meetings were given to all Directors to schedule the Board Meetings, together with agenda and detailed notes on agenda, save and except in cases where meetings were convened at shorter notice to transact urgent business after obtaining the requisite consent of the Directors, as applicable. 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 were carried unanimously and, therefore, no dissenting views were required to be recorded in the minutes.

The Company, being a subsidiary of Aarti Drugs Limited, is deemed to be a public company by virtue of the proviso to Section 2(71) of the Companies Act, 2013, and accordingly the provisions of Section 149 of the Act are applicable to the Company

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
(ICSI Unique Code No. P1996MH007500)
Company Secretaries,

CS Monali Bhandari
Partner
UDIN: A027091H000944700
ACS No. 27091 C.P. No. 10272
PR No.: 7281/2025

Place: Mumbai
Date: 27.07.2026

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

ANNEXURE - D2 (CONTD.)

'ANNEXURE A'

To,
The Members,
Pinnacle Life Science private Limited
(CIN : U24232HP2003PTC030912)
Near Telephone Exchange, Manpura,
Baddi, Himachal Pradesh 173205

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
(ICSI Unique Code No. P1996MH007500)
Company Secretaries,

CS Monali Bhandari
Partner
UDIN: A027091H000944700
ACS No. 27091 C.P. No. 10272
PR No.: 7281/2025

Place: Mumbai
Date: 27.07.2026

ANNEXURE - E

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

1. CONSERVATION OF ENERGY:

a. Energy Conservation Measures Taken:

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation, consumption and control on utilization thereof. The various measures taken during the year includes:

- We have conducted regular energy and steam audits to check and improve the performance of equipment running in plant and utility.
- We have installed Condensate contamination detection system with a polishing unit for boiler feed water quality.
- We are installing MVR (Mechanical Vapor Recompression) system at G-60 DFS plant to reduce steam consumption & improve overall energy efficiency.
- Implementation of MVR Technology at S-2902 for Recovery of 2 MNI & MTZ recovery to reduce cost & increase process efficiency.
- LLE (Liquid Liquid Extraction) for recovery of valuable phenol & salicylates from process streams, reducing raw material loss & minimizing waste generation.
- Double effect VAM system for improving chilling plant operating cost & simultaneously heating the boiler feed water to 90 deg.C.
- Cooling Tower optimization for implementation of proper chemical dosing & continuous monitoring which improved heat transfer efficiency, better cooling tower performance, reduced scaling & fouling, improved solvent recovery process due to stable cooling water temperature, lower electricity consumption by associated equipment, enhanced overall plant reliability.
- Installation of Multi-utility traps across utility system to improve the condensate recovery & improving the boiler efficiency.
- Successful trial of RDRO technology for effluent treatment which benifited safe & energy-efficient operation, improved water recovery, reduction in fresh water requirement, lower effluent discharge, potential reduction in operating costs.
- Installation of moisture traps for compressed air system for removal of moisture from compressed air systems, loss is there with auto drain valve.
- Installation of 16 TPH dual fuel boilers to increase steam generation efficiency with improved fuel utilization & enhanced plant reliability. We are going for agro based multi-fuel fired boiler to reduce conventional fuel consumption.
- We have undertaken the solar group captive model as means to switch over to green and clean energy.

b. Additional Investment & Proposals, if any, being implemented for reduction of consumption of energy

Measures for reduction in energy consumption includes:

- Proposal for VTCL drying for the evaluation of an energy efficient & environment friendly drying system for safe & efficient operation.
- Installation of Agitated Nutsche filter dryer (ANFD) to reduce labour requirements, Eliminate dependence on FBD drying, lower steam & electricity consumption, Improve product handling & process safety.
- Trials of electro-oxidation system for ETP as apart of (Advanced Oxidation Technology) environment friendly & cost effective technique.
- Digitalisation of energy monitoring through an online dashboard which will be beneficial for Real time monitoring of utility consumption, Early detection of abnormalities, Reduction in compressed air & steam losses, better decision making through live process date, improved operational efficiency & preventive maintenance.
- Ongoing Installation of MVR at sarigam Unit S-211 for significant reduction in steam consumption, lower operating cost, Improved evaporation efficiency, Reduction in carbon emissions, Enhanced overall plant energy performance.
- We are planning to install the continuous sludge dryers to reduce the moisture content in the effluent streams disposed to the MWML.

- We are planning to install the mechanical boosters in place of the existing steam jet ejectors. This will help in reduction of the steam consumption. Also effluent load will be reduced and product recovery will be improved due to steady vacuum.

Sr. No.	Power & Fuel Consumption	For the Year ended March 31, 2026	For the Year ended March 31, 2025
1	**Electricity**		
	Purchased Units(KWH)	94302844	86448082
	Total Amount (₹ In lakhs)	10048.48	9291.08
	Per Unit (₹)	10.66	10.75
2	**Furnace Oil**		
	Purchased Units(MT)	0.00	54.22
	Total Amount (₹ In lakhs)	0.00	28.26
	Per Unit (₹ Per Kg.)	0.00	52.13
3	**Coal**		
	Consumption (Unit)	67655228	51438468
	Total Amount (₹ In lakhs)	4637.27	3254.88
	Rate per Unit	6.85	6.33
4	**Steam**		
	Consumption (Unit)	0	15030410
	Total Amount (₹ In lakhs)	0.00	371.05
	Rate per Unit	0.00	2.47
5	**Others (₹ in lakhs)**		
	Diesel	102.47	46.42
	Water Steam	1159.83	1495.33
	LDO	108.83	113.35
	LSHS (₹ in lakhs)	664.46	0.00

Consumption Per Unit of Production:

Since the Company manufactures different types of bulk drugs and its intermediates, it is not practicable to give consumption per unit of production.

2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

- **Salicylic Acid derivative:** Work is going on to develop salicylic acid derivative like Methyl salicylate, butyl salicylate, hexyl salicylate, amyl salicylate aimed at expanding our product line and enhancing core chemical synthesis portfolio. This will help us to offer new Chemical / pharmaceutical solutions, meeting emerging market needs.
- **Zolpidic Acid:** Alternative process with Eco-friendly solvent technologies is developed, aligned with sustainable manufacturing practices and going to be commercialized soon. The process has improved yield, quality and decreased hazardous waste. Impurities in the product are also reduced.
- **Norfloxacin:** To optimize products from raw material an alternate process is developed from starting raw material DCFBCl. Innovation in process optimization will help us to reduce total cost of manufacturing and increase supply chain resilience.
- **Salicylic Acid:** Salicylic Acid process commercialized with absorption of chemical synthesis technologies. It is Safe, Competitive with existing manufacturers and environment friendly.
- Developed a process of recovering phenol from the effluent stream using ARDC.
- **Diclofenac sodium:** Our recent development effort focused on reducing raw material costs, minimizing ETP load, shortening the time cycle and optimizing operational parameters for a smoother process. This work has successfully achieved consistent quality and improved color quality at the lab scale and as well as commercial level
- **Diclofenac epolamine:** Our recent development effort focused on reducing solvent volume by avoiding binary mixtures. Shortening the time cycle and easy operational parameters for smoother process. This work has been successful,

ANNEXURE - E (CONTD.)

resulting in an increased yield, consistent high quality, which has been validated at both the lab and commercial scales. Costs, minimizing ETP load, shortening the time cycle and optimizing operational parameters for a smoother process. This work has successfully.

- Improvement in various downstream product of Salicylic Acid like PHBA, Octyl Salicylate, Methyl Salicylate, Aspirin, benzoyl salicylate, Hexyl Salicylate, Methyl Paraben, Ethyl Paraben, Propyl Paraben etc in research laboratory are in progress to expand our product offering.
- **Ciprofloxacin HCl:** Continuous process of manufacturing of ciprofloxacin using flow reactors is under process and ready to commercialize in near future. This will increase capability to streamline our manufacturing process. This will increase production efficiency and yield.
- **Moxifloxacin HCl:** Our recent development efforts focused on reducing raw material cost. Shortening the time cycle and easy operational parameters for a smoother process. This work has been successful, resulting in an increased yield, consitent high quality, which has been validated at the lab scale. Also resolve stability issue of chelate compound.
- **Teneligliptin:** Intermediate required for manufacturing of Teneligliptin like PPZ derivative, butyl ester development is under process.
- **Enrofloxacin:** Development of continuous processes is in process.
- **L-canitine intermediate:** Process Development of CPT i.e. L-canitine intermediate done at lab scale.
- **Fluconazole inter-mediates:** Fluconazole epoxy mesylate & Fluconazole epoxy free base intermediate with market specification developed. Process optimization with improved quality and yield done.
- New process development with the zero or minimum effluent either by recycling it or by recovering byproducts from it, is under progress.
- Taurine and n-pentyl glycol process is under progress.

3. RESEARCH AND DEVELOPMENT (R&D)

The Company's R&D centre at plot no. E-1, MIDC Industrial Area, Tarapur, recognised by department of science and Industry Research, Government of India, carries on R&D activities for developing technology, scale-up and its transfer to manufacturing location for commercialization of APIs and intermediates as well.

(A) Specific areas in which R&D carried out by the Company during the FY 2025-26

The focus area of the Company's R&D effort during FY 2025-26 includes:

- **Salicylic Acid derivative:** Technologies is developed, aligned with sustainable manufacturing practices and going to be commercialized soon. The process has improved yield, quality and decreased hazardous waste. Impurities in the product are also reduced.
- **Enrofloxacin:** process improvement for manufacturing of enrofloxacin is under process.
- **Fluconazole:** Process improvisation done with minimum raw material consumption. Solvent use reduction done.
- **Vildagliptin:** Isolation of dissolved Vildagliptin (IODV) from Crude MLR done, which will reduce waste. Process optimization with less use of base and solvent is done.

(B) Benefits derived as a result of the above R&D:

- R&D efforts have helped for improvement in process and operating efficiency.
- Development/commercialization of various APIs and intermediates.
- Development of new markets, penetration into regulatory markets through quality up gradation and cost reduction.
- Improved quality of products to fulfill existing in-house demands of customers.
- R&D efforts have helped to reduce effluent and water consumption.

(C) FUTURE PLAN OF ACTION:

- Further improvement in process efficiencies of existing products.
- Development of cost effective processes/ technology for APIs of the semi-regulated & non-regulated Markets.
- Development of the green process with the help of Innovative technology.

ANNEXURE - E (CONTD.)

- Development of TFBCL is under progress.
- Development of new zolpidic acid is under progress.
- Process development of intermediate of Teneligliptin i.e. PPZ derivative & butyl ester is under progress.
- Process development of intermediate of Vildagliptin is under process.

(D) Expenditure on R & D

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Capital	140.33	232.62
Recurring	512.16	557.50
Total	**652.49**	**790.12**

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total Foreign Exchange Earned(FOB)	71287.49	67576.67
Total Foreign Exchange Earned (CIF)	73294.95	69644.20
Total Foreign Exchange Used		
CIF Value of Imports:		
- Raw Materials	71353.09	71858.48
- Capital Goods	459.68	266.79
Expenditure in foreign currency		
- Commission	1248.79	882.82
- Travelling Expenses	43.77	43.07
- Sales Promotion	21.84	19.47
- Foreign Bank charges	78.27	118.01
- Interest on F.C.loan	0.00	0.00
- Others	412.94	153.97
Total	**73618.38**	**73342.61**

For and on behalf of the Board

Sd/-
Prakash M. Patil
Chairman, Managing Director & CEO
DIN:00005618

Place: Mumbai
Date: August 27, 2026

CORPORATE GOVERNANCE REPORT

The Company's Report on Corporate Governance for the financial year ended March 31, 2026 is in compliance with the principles of Corporate Governance as prescribed in Regulation 17 to 27, 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")

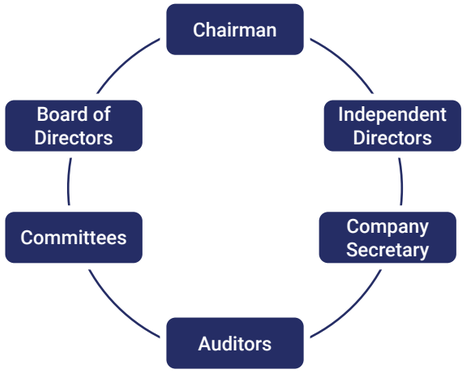
COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Care, Integrity and Excellence are key to our corporate governance practices and performance, and ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is an ethically-driven business process that is committed to values aimed at enhancing an organisation's capacity to create wealth. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. These Governance Practices help enhancement of long-term interest of Stakeholders and also help to align with our strategy 'Growth with sustainability for a sustainable growth'.

The Board fully appreciates the need for increased awareness for responsibility, transparency and professionalism in management of the Organisation. We understand that corporate governance is a journey rather than a destination, and as such, we are committed to continuous improvement.

CORPORATE GOVERNANCE TORCH BEARERS

The Company's Corporate Governance torch bearers include Chairman, Board of Directors, Committees, Independent Directors, Company Secretary and Auditors.



BOARD OF DIRECTORS:

The primary role of the Board of Directors ("the Board") is that of trusteeship - to protect and enhance shareholders value. The Board have a fiduciary responsibility to ensure that the Company's actions and objectives are aligned to sustainable growth and long-term value creation.

The Board is also responsible for:

a. long-term business plan & strategy and monitoring its implementation.

b. enhancing shareholders' value and overseeing the interests of all stakeholders through effective management.

c. monitoring the effectiveness of the Company's Corporate Governance practices.

d. exercising effective control on the functioning of the Company to ensure fulfilment of stakeholder expectation and long-term value creation.

e. monitoring various code, policies and reviewing internal control systems, including internal financial controls with reference to financial statements.

Beyond defining future vision, the Board exercises objectives and independent judgement, rigorously evaluate management performance against strategic benchmarks in order to safeguard and advance the interest of Shareholders and wider stakeholders ecosystem.

CHAIRMAN:

The Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Board and it's Committees provide effective governance to the Company. The Chairman takes a lead role in managing the Board and facilitating effective communication among the Directors.

CORPORATE GOVERNANCE REPORT (CONTD.)

BOARD COMMITTEES:

The Board has delegated its functioning in relevant areas to designated Board Committees to effectively deal with complex or specialised issues. For further details, see the section titled "Board Committees" in this report.

INDEPENDENT DIRECTORS:

Considering the requirement of skill sets on the Board, eminent persons having an independent standing in their respective fields / professions and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Independent Directors plays a vital role in strengthening the Governance standards across the organisation by exercising their professional competencies.

COMPANY SECRETARY:

The Company Secretary plays a key role in;

- Ensuring that the Board procedures are followed and reviewed regularly,
- Assisting and advising the Board on exercising the best Corporate Governance Practices,
- Providing to the Board Members collectively or individually such guidance, as they may require, with respect to their duties, responsibilities and powers,
- Reporting to the Board on Regulatory Compliances, functioning of robust framework and ensuring mitigation of regulatory risks to the best possible extent, and
- Acting as interfaces between the Company and regulatory authorities for governance matters.

AUDITORS:

An auditor is responsible for ensuring that the organisation complies with relevant laws, regulations, and best practices. This includes reviewing financial statements, accounting policies, principles & procedures, corporate filings, and other disclosures to ensure that they are accurate, complete, and transparent.

The Board of Directors, its Committees, Chairman, Company Secretary, Executive Management, External Auditors and Internal Auditors basically determine the integrity and security of the Corporate Governance structure.

A Company's growth is inseparable from a concrete governance structure.

BOARD OF DIRECTORS

The Board is entrusted and empowered to oversee the management, direction and performance of the Company.

COMPOSITION:

The Company has an active, experienced, diverse and a well - informed Board. The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. The Company is in compliance with the provisions of Section 149(4) of the Companies Act, 2013 (the "act") read with Regulation 17(1)(a), 17(1)(b) and 17(1)(c) of the Listing Regulations.

As on March 31, 2026 the following was the composition of the Board;

Category	Independence		Gender Diversity			
			Male		Female	
	Nos	%	Nos	%	Nos	%
Independent	6	50	5	41.67	1	8.33
Non-Independent	6 (including 1 non-executive)	50	6	50	0	-

Detailed profile of the Directors is available on the Company's website at https://www.aartidrugs.com/team-members-board-of-directors-management#teamMembers

INDEPENDENT DIRECTORS:

Eligibility: The Independent Directors declare that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. The Board further confirms that the Independent Directors fulfil the conditions specified in terms of the Companies Act, 2013 and the Listing Regulations and that they are Independent of the management of the Company. All the Directors are in compliance with the limit on independent directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the Listing Regulations.

The Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All the Directors have confirmed that they are not members of more than ten mandatory committees and do not act as Chairman of more than five mandatory committees in terms of the Regulation 26 of the Listing Regulations across all the listed companies in which they are Directors.

Independent Director Databank Registration: Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors

have done the registration with the Independent Directors Databank. Requisite disclosures have been received from the concerned directors in this regard.

Familiarisation Programme: The Company has a familiarisation programme for its Independent Directors and other Non-Executive Directors which, inter alia, includes briefing on:

a. Role, responsibilities, duties and obligations as a member of the Board.

b. Nature of business and business model of the Company.

c. Strategic directions for businesses.

d. Macro-economic outlook and business conditions.

e. Matters relating to governance.

The Board members are provided with necessary documents, brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, business strategy and risks involved. Monthly / quarterly updates on relevant statutory, regulatory changes encompassing important laws are regularly circulated to the Directors. In the Board meetings, all discussions on performance review of the businesses are preceded by a recap on the strategic direction adopted for the business, which provides good insights on the path forward for the businesses carried on by the Company to the Independent Directors and the other Non-Executive Directors on the Board.

Details of familiarisation Programmes imparted to independent Directors are disclosed on the Company's website on the weblink: https://www.aartidrugs.com/corporate-governance-independent-directors/.

Meeting of Independent Directors: The Company is firmly committed to upholding the highest standards of governance and places a strong emphasis on ensuring the independence and objectivity of the Board.

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on March 23, 2026 without the participation of non-Independent Directors and the members of the management. The Independent Directors discussed various aspects, viz. performance of non-Independent Directors and the Board as a whole, performance of the Chairperson of the Company, quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform duties.

Upon the conclusion of the meetings, the Independent directors, as deemed appropriate, communicate any suggestions, views or concern to the chairman, CEO or/and Managing Director.

BOARD PROCEDURE:

The Board of the Company meets periodically and atleast once every quarter to evaluate and review the Company's financial and operational performance and providing strategic guidance along with addressing other regulatory and governance matters.

The regular meetings of the Board and its Committees are pre-scheduled. Invites are sent to the members well in advance, to facilitate them plan their participation effectively. Additionally, in case of special and urgent business matters such as; major capex, critical appointments etc., requisite meetings are convened ensuring utmost participation. In case of special and urgent business needs, the Board's/ Committee approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

Except for the agendas dealing with price sensitive information, requisite information/ discussion papers are circulated to the members well within prescribed timeline. The agendas are mainly bifurcated into those requiring Noting, Review and Approval.

With its sheer focus on 'Safety-first' besides other agenda items, measures taken by the Company on Safety and Sustainability are discussed on a regular basis in periodical meetings.

The discussions are then followed by review of the performance against the Budget and Industrial Trend, overall strategy, Financial results, subsidiary's performance, fund flow position and investments status, Forex, Related party transactions, compliance status, governance & regulatory matters, pay-out policy, progress of ESG commitments of the Company and such other matters as required under the prevailing regulatory requirements.

The Board reviews the strategy, budgets & business plans, capital expenditure on an annual basis. It provides guidance and strategic direction to the management in the light of the economic developments, both locally and internationally, sectoral changes, competition, government regulations, etc.

While preparing the agenda, explanatory notes, minutes of the meeting(s) and during conduct of the meeting, adherence to the Act and the Rules made thereunder, Listing Regulations, Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI") and other applicable laws is ensured.

BOARD MEETINGS:

The Board members are encouraged to be present in the meetings of the Board. During the year under review, six meetings of the Board were held. As and when required the members were allowed to participate in meetings virtually.

The Board met at least Once in every quarter and the gap between two consecutive Meetings did not exceed one hundred and twenty days. The attendance at the Board Meetings conducted during the financial year 2025-26 and at the AGM held is as under:

Name	No. of Board Meeting	1	2	3	4	5	6	Total Meetings attended	% of attendance	Attendance at last AGM held on September 24, 2025
	Date	April 01, 2025	May 06, 2025	July 18, 2025	November 07, 2025	February 03, 2026	February 28, 2026			
	Time	12:00 Noon	12:00 Noon	12:00 Noon	12:00 Noon	02:45 P.M	11:30 A.M			
	Mode	PHYSICAL	PHYSICAL	PHYSICAL	PHYSICAL	PHYSICAL	VC			
	P/PG / ED/ NED/ID									
Shri Prakash M. Patil DIN: 00005618	P / ED	✓	✓	✓	✓	✓	×	5	83	✓
Shri Rashesh C. Gogri DIN: 00066291	PG / ED	✓	✓	✓	✓	✓	✓	6	100	✓
Shri Harshit M. Savla DIN: 00005340	P / ED	✓	✓	✓	✓	✓	✓	6	100	✓
Shri Harit P. Shah DIN: 00005501	- / ED	✓	×	✓	✓	×	✓	5	83	✓
Shri Uday M. Patil DIN: 01186406	PG / ED	✓	✓	✓	✓	✓	✓	5	83	✓
Shri Narendra J. Salvi DIN: 00299202	- / NED	✓	×	×	✓	✓	✓	4	67	✓
Shri Ankit V. Paleja DIN: 06975564	- / ID	✓	✓	×	✓	✓	×	4	67	✓
Shri Bhaskar N. Thorat DIN:01293824	- / ID	✓	✓	✓	✓	✓	✓	6	100	✓
Smt. Neha R. Gada DIN:01642373	- / ID	✓	✓	✓	✓	✓	✓	6	100	✓
Shri Hasmukh B. Dedhia DIN:07510925	- / ID	✓	✓	✓	✓	✓	✓	6	100	✓
Shri Sandeep M. Joshi DIN:00516409	- / ID	✓	✓	✓	✓	✓	✓	6	100	✓
Shri Ajit E. Venugopalan DIN:09439069	- / ID	✓	✓	✓	✓	✓	×	5	83	✓

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

CORPORATE GOVERNANCE REPORT (CONTD.)

DIRECTORSHIPS AND COMMITTEE POSITIONS:

The names and categories of the Directors on the Board, their Directorship in other Companies, their committee positions in other Companies during financial year ended March 31, 2026, are as under:

Name	Number of Shares held along with % of paid up share capital	Number of Directorships in Public Limited Companies (excluding Aarti Drugs Limited)*	Number of Committee positions in Public Limited Companies (including Aarti Drugs Limited)**		Directorship in listed entities		
			Member	Chairperson	Name of the listed entity	Category	
						P/PG	ED/NED/ID
Shri Prakash M. Patil DIN: 00005618	8783869 (9.62%)	None	1	0	Aarti Drugs Limited	P	ED
Shri Rashesh C. Gogri DIN: 00066291	4238874 (4.64%)	3	3	0	Aarti Drugs Limited	PG	ED
					Aarti Industries Limited	PG	ED
					Aarti Pharmalabs Limited	PG	NED
Shri Harshit M. Savla DIN: 00005340	4323269 (4.74%)	2	1	0	Aarti Drugs Limited	P	ED
Shri Harit P. Shah DIN: 00005501	2437108 (2.67%)	2	1	0	Aarti Drugs Limited	-	ED
Shri Uday M. Patil DIN: 01186406	50252 (0.06%)	None	0	0	Aarti Drugs Limited	PG	ED
Shri Narendra J. Salvi DIN: 00299202	0	2	3	0	Aarti Drugs Limited	-	NED
					Aarti Pharmalabs Limited	-	ED
Shri Ankit V. Paleja DIN: 06975564	0	1	3	2	Aarti Drugs Limited	-	ID
					Capacit'e Infraprojects Limited	-	ID
Shri Bhaskar N. Thorat DIN: 01293824	0	None	0	0	Aarti Drugs Limited	-	ID
Smt Neha R. Gada DIN: 01642373	0	7	10	3	Aarti Drugs Limited	-	ID
					Sejal Glass Limited	-	ID
					Tamboli Industries Limited	-	ID
					Gala Precision Engineering Limited	-	ID
					SFC Environmental Technologies Limited	-	ID
Shri Hasmukh B. Dedhia DIN: 07510925	0	1	3	1	Aarti Drugs Limited	-	ID
					Mitsu Chem Plast Limited	-	ID
Shri Sandeep M. Joshi DIN: 00516409	0	None	0	0	Aarti Drugs Limited	-	ID
Shri Ajit E. Venugopalan DIN: 09439069	2977 (0.003%)	1	2	1	Aarti Drugs Limited	-	ID

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

*Excludes Directorships/Chairpersonships in private limited companies, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships. Directorships/Chairpersonships in deemed public companies are included.

**Represents Chairpersonships/Memberships of Audit and Stakeholders Relationship Committees in all public limited companies as required under Regulation 26(1)(b) of the SEBI Listing Regulations.

CORPORATE GOVERNANCE REPORT (CONTD.)

The number of Directorships, Chairmanship/ Membership etc. is within prescribed limits under the Companies Act, 2013 and the Listing Regulations.

In terms of Part C of Schedule V of the Listing Regulations, it is hereby disclosed that Shri Prakash M. Patil, Chairman, Managing Director & CEO is brother of Shri Uday M. Patil, Executive Director. Except this, there is no other inter-se relationship amongst other Directors.

DIRECTORS COMPETENCE/ SKILLS/EXPERTISE CHART:

The Company is engaged in the manufacturing of Active Pharmaceutical Ingredients (APIs), Pharma Intermediates and Speciality Chemicals. 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)

	Industry Experience	Experience in Pharmaceutical and Chemical industry.
	Operations, Technology, Sales and Marketing	Experience in sales and marketing management based on understanding of the consumer & consumer goods industry.
	Leadership	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.
	Understanding of Global Business	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 for intricate and high quality financial management and financial reporting Processes.
	Legal/Governance/ Compliance	In order to strengthen and maintain the governance levels & 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 Prakash M. Patil	√	√	√	√	√	√
Shri Rashesh C. Gogri	√	√	√	√	√	√
Shri Harshit M. Savla	√	√	√	√	€	€
Shri Harit P. Shah	√	√	√	√	€	€
Shri Uday M. Patil	√	√	√	√	€	€
Shri Narendra J. Salvi	√	√	√	√	€	€
Shri Ankit V. Paleja	€	€	€	€	¥	√
Shri Bhaskar N. Thorat	√	√	√	√	€	€
Smt. Neha R. Gada	€	€	€	€	¥	√
Shri Hasmukh B. Dedhia	€	€	€	€	¥	√
Shri Sandeep M. Joshi	√	√	√	√	€	€
Shri Ajit E. Venugopalan	€	€	€	€	√	¥

√ Domain Expert

¥ Proficient Knowledge

€ Adequate Knowledge

CORPORATE GOVERNANCE REPORT (CONTD.)

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE:

Certificate as required under Part C of Schedule V of Listing Regulations, received from M/s. Mehta & Mehta; Company Secretaries in Practice is attached in this Annual Report, stating that none of Directors on the Board of the Company have been debarred and disqualified from being appointed or continuing as directors of the Company by an order from the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority.

KYC OF DIRECTORS:

Pursuant to Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2019, all the Directors of the Company had completed the KYC for the financial year 2025-26.

CODE OF CONDUCT:

The Company has prescribed a code of conduct for its Directors and senior management. The code of ethics of the Company has been posted on its website on the weblink https://www.aartidrugs.com/corporate-governance-code-of-conduct/. The declaration from the Chief Executive Officer in terms of Regulation 34(3) read with Part D of Schedule V of the Listing Regulations, stating that as of March 31, 2026 the Board members and the senior management personnel have affirmed the compliance with the code of ethics laid down by the Company, has been included in this Report.

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION AND CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS:

The Board has approved and adopted the code of practices and procedures for fair disclosure of unpublished price sensitive information and the code of conduct to regulate, monitor and report trading by insiders in terms of Regulation 8 and 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down procedures to be followed and disclosures to be made while trading in the Company's shares from time to time. Also this code includes practices and procedures for fair disclosure of unpublished price sensitive information. The same is posted on the Company's website on the weblink https://www.aartidrugs.com/corporate-governance-insider-trading-regulation/

COMMITTEES OF THE BOARD

The Board Committees 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 particularly in accordance with the Companies Act, 2013 and the Listing Regulations. During the year under review, all recommendations of the committee of the Boards have been accepted by the Board ensuring that every crucial aspect brought forth by the respective Committees is meticulously considered, reinforcing the governance practices of the Company. The Company has 5 Statutory Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The Board has 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. The recommendations of the Committees are submitted to the Board for approval.

Procedure at Committee meetings: The composition and terms of reference of all the Committees are in compliance with the prevailing Regulatory requirements. 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 has been constituted in line with the prevailing Regulatory requirements.

CORPORATE GOVERNANCE REPORT (CONTD.)

COMPOSITION, MEETING AND ATTENDANCE:

During FY 2025-26, the Audit Committee met 6 (Six) times. The Composition of the Committee, date of the meetings and attendance of the Audit Committee members in the said meetings is given below:

Members	Category	Meeting Dates	April 01, 2025	May 06, 2025	July 18, 2025	November 07, 2025	February 03, 2026	March 23, 2026
		Mode of meeting	Physical	Physical	Physical	Physical	Physical	Physical
		Start Timing	11:00 AM	11:00 AM	11:00 AM	11:00 AM	01:45 PM	01:45 PM
Shri Hasmukh B. Dedhia (Chairman)	Independent Director	6	√	√	√	√	√	√
Shri Ankit V. Paleja	Independent Director	5	√	√	×	√	√	√
Smt. Neha R. Gada	Independent Director	6	√	√	√	√	√	√
Shri Ajit E. Venugopalan	Independent Director	6	√	√	√	√	√	√
Shri Prakash M. Patil	Executive Director	6	√	√	√	√	√	√
Shri Rashesh C. Gogri	Executive Director	6	√	√	√	√	√	√

The intervening period between 2 consecutive Audit Committee meetings was well within the maximum allowed gap of 120 days. The Chief Financial Officer, Functional Heads, Representatives of the Statutory Auditors, Internal Auditors, Cost Auditor as and when required attends the meetings of the Audit Committee from time to time. The Chairperson of the Audit Committee attended the 40th AGM held on September 24, 2025. The Company Secretary of the Company acts as the Secretary to the Audit Committee. All the members of the Audit Committee are financially literate and majority of them have accounting and financial management expertise.

TERMS OF REFERENCE:

The terms of reference of the Audit Committee include matters specified in the Companies Act, 2013, Rules made thereunder, the Listing Regulations and those specified by the Board in writing. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

The Audit Committee acts in accordance with the terms of reference which, inter alia, include:

i) Oversight of the Company'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 Company;

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 Companies 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) Review and monitor the auditor's independence and performance and effectiveness of audit process;

viii) Approval or any subsequent modification of transactions of the Company with related parties;

ix) Scrutiny of inter-corporate loans and investments;

x) Valuation of undertakings or assets of the Company, 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, and 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 thereon;

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) Reviewing the utilisation of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower;

xxi) Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the entity and its shareholders;

xxii) Carrying out any other function as is included in the terms of reference of the Audit Committee;

xxiii) 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 think fit.

Mandatorily review the following information:

i) Management Discussion and Analysis of financial condition and results of operations;

ii) Management letters/letters of internal control weaknesses issued by the statutory auditors;

iii) Internal audit reports relating to internal control weaknesses;

iv) The appointment, removal and terms of remuneration of the Chief Internal Auditor; and

v) Statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted in line with the prevailing Regulatory requirements.

COMPOSITION, MEETING AND ATTENDANCE:

During FY 2025-26, the Nomination and Remuneration Committee met 2 (two) time. The Composition of the Committee, date of the meetings and attendance of Nomination and Remuneration Committee members in the said meetings is given below:

Members	Category	Meeting Dates	May 06, 2025	February 03, 2026
		Mode	Physical	Physical
		Start Timing	10:15 AM	1:00 PM
Smt. Neha R. Gada (Chairman)	Independent Director	2	√	√
Shri Bhaskar N. Thorat	Independent Director	2	√	√
Shri Ankit V. Paleja	Independent Director	2	√	√
Shri Prakash M. Patil	Executive Director	2	√	√

TERMS OF REFERENCE

The broad terms of reference of the Nomination and Remuneration Committee shall inter alia, include the following:

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, 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 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 think fit.

NOMINATION AND REMUNERATION POLICY:

I. 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.

II. 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 Nomination and Remuneration Policy as approved by the Board of Directors of the Company is posted on the website of the Company on the weblink https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/.

The Remuneration policy for all the employees is designed in a way to attract talented executives and remunerate them fairly and responsibly, this being a continuous on-going exercise at each level in the organisation.

In accordance of the said Policy following is the criteria for payment of remuneration to Directors, KMPs and other employees:

Executive Directors:

The Company remunerates its Executive Directors by way of salary and commission/performance linked incentives based on performance of the Company. Remuneration is paid within the limits as approved by the shareholders within the stipulated limits of the Companies Act, 2013 and the Rules made thereunder. The remuneration paid to the Executive Director is determined keeping in view the industry benchmark and the performance of the Company. No Stock options have been given to the Executive Directors during the year. Notice period is applicable only to Executive Directors.

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 Companies Act, 2013 and the rules made thereunder. No Stock options have been given to the Non-Executive Directors during the year.

Key Managerial Personnel [KMP] and other employees:

The remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances and performance incentives (wherever paid). 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 & experience/ merits and performance of each employee.

Remuneration to Executive Directors:

Name of Director(s)	Salary	Bonus	Other Perquisites/ benefits	Commission/ Performance linked incentives	Total Remuneration
Shri Prakash M. Patil	96.95	8.07	32.42	153.59	291.04
Shri Rashesh C. Gogri	77.57	6.46	25.97	153.59	263.59
Shri Harshit M. Savla	77.57	6.46	25.97	153.59	263.59
Shri Harit P. Shah	77.57	6.46	25.97	153.59	263.59
Shri Uday M. Patil	23.24	1.93	17.24	-	42.41

Notes:

- The respective tenure of the aforesaid executive shall be governed by the resolutions passed by the shareholders in general meeting with a notice period as per Company Policy.
- Perquisites include House Rent Allowance, medical allowance, if any, Leave Travel Allowance, Leave salary, contribution to Provident Fund and Super Annuation fund as per Company Policy.

Remuneration to Non-Executive Directors:

Name of Directors	Sitting fees (₹ in lakhs)	Shareholding in the Company	% of Total Shareholding
Shri Narendra J. Salvi	1.10	-	-
Shri Ankit V. Paleja	2.50	-	-
Shri Bhaskar N. Thorat	2.10	-	-
Smt. Neha R. Gada	3.00	-	-
Shri Hasmukh B. Dedhia	2.80	-	-
Shri Sandeep M. Joshi	1.60	-	-
Shri Ajit E. Venugopalan	2.55	2977	(0.00%)

TRANSACTIONS WITH THE NON-EXECUTIVE DIRECTORS:

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

PERFORMANCE EVALUATION:

The performance evaluation process of the Board, its Committees, Non-Independent Directors, Independent Directors and Chairman has been established as mentioned below is in line with the regulatory requirements of Companies Act, 2013 and Listing Regulations. Accordingly, an annual evaluation has been carried out through a questionnaire having qualitative parameters such as the composition, attendance, participation, quality and value of contributions, knowledge, skills, experience etc.

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. The overall performance evaluation exercise was completed to the satisfaction of the Board.

		Board	Committees	Non-Independent Director	Independent Director	Chairman
Evaluation by	Independent Directors	√		√		√
	Board	√	√	√	√	

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted in line with the prevailing Regulatory requirements.

The Committee is composed of four Directors including an Independent Director who chairs the meetings.

Members	Shri. Ankit V. Paleja (Chairman)	Shri Narendra J. Salvi	Shri Harshit M. Savla	Shri Harit P. Shah
Category	Independent Director	Non- Executive Director	Executive Director	Executive Director

TERMS OF REFERENCE

The broad terms of reference of the Stakeholders' Relationship Committee shall inter alia, include the following:

i) Resolving the grievances of the security holders of the Company 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) Review of measures taken for effective exercise of voting rights by shareholders.

iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

v) Resolving grievances of debenture holders related to creation of charge, payment of interest/ principal, maintenance of security cover and any other covenants.

Further, as and when required the Committee meets and discuss the agenda items as set for it by the Board of Directors of the Company including;

i) **Noting:** Shareholding Pattern, category wise composition of the ownership viz institutional, non-institutional and promoters;

ii) **Review:** Status of Cases in Suspense Accounts;

CORPORATE GOVERNANCE REPORT (CONTD.)

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

iv) **Review:** Status of IEPF Cases;

v) **Review:** Trainings conducted on Takeover / Insider Regulations/ Code of Conduct to the Stakeholders of Company;

vi) **Review:** Compliances pertaining to Investors Meet;

vii) **Review:** Recommendations of Proxy Advisors;

viii) **Authorise/ Review:** Printing of Share Certificate and status of blank Share Certificates;

ix) **Review:** Internal Audit Report of RTA Activities;

x) **Updation:** Regulatory changes impacting shareholders;

xi) Process Improvement initiatives;

xii) Review and monitoring compliance under SEBI Takeover Regulations and SEBI Prohibition of Insider Trading Regulations.

xiii) 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.

NAME, DESIGNATION AND CONTACT DETAILS OF THE COMPLIANCE OFFICER:

Shri Rushikesh Deole, Company Secretary (ICSI M. No. F12932) is the Compliance officer of the Company. The Compliance Officer can be contacted at the Corporate Office of the Company at;

Mahendra Industrial Estate,
Ground Floor, Plot No. 109-D,
Road No. 29, Sion (East), Mumbai 400 022
Ph:- 022-24048199
Email:- investorrelations@aartidrugs.com
Website:- www.aartidrugs.com

SEPARATE EMAIL ID FOR THE REDRESSAL OF INVESTORS' COMPLAINTS:

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

SHAREHOLDERS' COMPLAINTS:

During the year under review 4 (Four) Complaints were received through SEBI and Stock Exchanges and RTA, which were resolved to the satisfaction of the complainants. No request for Share Transfer or Dematerialisation was pending for approval as on March 31, 2026.

4. RISK MANAGEMENT COMMITTEE

The Board of Directors has constituted a Risk Management Committee and also approved Risk Management Policy in accordance with the provisions of the Listing Regulations. The aforesaid policy is available at the website of the Company.

COMPOSITION, MEETING AND ATTENDANCE:

In compliance with the requirement of Regulation 21 of SEBI Listing Regulations, the Risk Management Committee comprised ten (10) members including two (2) Independent Directors as on March 31, 2026. During FY 2025-26, the Risk Management Committee met 3 (three) times. The Composition of the Committee, date of the meetings and attendance of Risk Management Committee members in the said meeting is given below:

Members	Category	Meeting Date	August 25, 2025	February 03, 2026	March 23, 2026
		Mode	Physical	Physical	Physical
		Start Timing	4:00 PM	12:00 PM	2:45 PM
Shri Prakash M. Patil (Chairman)	Executive Director	3	√	√	√
Shri Rashesh C. Gogri	Executive Director	3	√	√	√
Shri Harit P. Shah	Executive Director	3	√	√	√
Shri Harshit M. Savla	Executive Director	3	√	√	√
Shri Uday M. Patil	Executive Director	3	√	√	√
Shri Bhaskar N. Thorat	Independent Director	2	√	×	√
Shri Ankit V. Paleja	Independent Director	1	×	×	√
Shri Adhish P. Patil	Chief Financial Officer & Chief Operating Officer	3	√	√	√
Shri Dhanaji L. Kakade	Vice President -Technical	3	√	√	√

CORPORATE GOVERNANCE REPORT (CONTD.)

TERMS OF REFERENCE:

The brief terms of reference of the Risk Management Committee are as under-

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) The 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 think fit.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been constituted in line with the prevailing Regulatory requirements.

COMPOSITION, MEETING AND ATTENDANCE:

During FY 2025-26, the Corporate Social Responsibility Committee met once. The Composition of the Committee, date of the meetings and attendance of Corporate Social Responsibility Committee members in the said meeting is given below:

Members	Category	Meeting Dates	July 18, 2025
		Mode	Physical
		Start Timing	10:30 AM
Shri Bhaskar N. Thorat (Chairman)	Independent Director	1	√
Shri Prakash M. Patil	Executive Director	1	√
Shri Rashesh C. Gogri	Executive Director	1	√

As and when required the Committee meets and discuss the agenda items as set for it by the Board of Directors of the Company including;

i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended, read with Rules framed thereunder;

ii) Recommend the amount of expenditure to be incurred on such activities and

iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board has also approved Corporate Social Responsibility Policy. The Annual Report on Corporate Social Responsibility Activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure-B which forms part of the Directors' Report.

CORPORATE GOVERNANCE REPORT (CONTD.)

SENIOR MANAGEMENT:

The particulars of the Senior Management including the changes therein since the end of previous financial year are as under:

Sr. No.	Name	Designation
1	Shri Adhish P. Patil	Chief Financial Officer & Chief Operating Officer
2	Shri Dhanaji L. Kakade	Vice President -Technical
3	Shri Rushikesh V. Deole	Company Secretary
4	Shri Arun M. Patil	Vice President – Marketing (w.e.f. February 03, 2026)
5	Shri Digvir Jadeja	Vice President - Export Marketing (w.e.f. February 03, 2026)
6	Shri Jatin Chheda	Manager – Purchase (w.e.f. February 03, 2026)

GENERAL BODY MEETINGS:

Details of last three Annual General Meetings are as under:

Financial Year	Day, Date & Time	Venue	Special resolution passed for
2024-25	Wednesday, September 24, 2025 At 11:00 am	Through Video Conferencing	No Special Resolution was passed
2023-24	Friday, September 20, 2024 At 11:00 am	Through Video Conferencing	1) Re-appointment of Shri Ankit Vikram Paleja (DIN: 06975564) as an Independent Director 2) Re-appointment of Shri Bhaskar Narayan Thorat (DIN: 01293824) as an Independent Director 3) Re-appointment of Smt. Neha Rajen Gada (DIN: 01642373) as an Independent Director
2022-23	Tuesday, September 26, 2023 At 10:30 am	Through Video Conferencing	No Special Resolution was passed

Extraordinary General Meetings:

No Extraordinary General Meetings of members were convened during the last three financial years.

DETAILS OF RESOLUTIONS 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 is passed through postal ballot as on date of this report.

MEANS OF COMMUNICATION:

Quarterly Results-

The Company communicates to the Stock Exchanges about the quarterly financial results within the prescribed timeline pursuant to Listing Regulations. The results are usually published in Financial Express (English) edition and Mumbai Parthkal (Marathi) edition. These results are also available on the website of the Company at www.aartidrugs.com.

Period	Date of Announcement on the Stock Exchanges	Date of Newspaper Publication
First Quarter	July 18, 2025	July 19, 2025
Second Quarter & Half Year	November 07, 2025	November 08, 2025
Third Quarter & Nine Monthly	February 03, 2026	February 05, 2026
Forth Quarter & Annual	May 15, 2026	May 17, 2026

CORPORATE GOVERNANCE REPORT (CONTD.)

Media Releases/ Press Release-

Official media releases/ Press releases are sent to Stock Exchanges and are also available on the website of the Company.

Investors/Analyst Meets-

The Company hosts calls or meetings with institutional investors on request. Also Company organise Quarterly Earning Conference Call for the Investors and Analysts which provides a platform for the Management to answer the questions and provide clarifications to investors and analysts. The Recording and Transcript of Quarterly Earning Conference Call are sent to Stock Exchanges and are also available on the website of the Company.

Investors Presentation-

Detailed presentations are made to institutional investors and financial analysts on the Company's audited quarterly and yearly financial results. These presentations are sent to Stock Exchanges and are also available on the website of the Company.

Social Media communication & Newspaper advertisement-

The Company has through its social media handles and newspaper advertisements informed the investors who had purchased physical shares of the Company prior to April 01, 2019, to avail the special window open upto February 04, 2027, for re-lodgement of transfer deed / transfer & dematerialisation of Physical shares of the Company.

Filing with Stock Exchanges-

All data required to be filed electronically or otherwise pursuant to the Listing Regulations with the Stock Exchanges 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.

Annual Report-

The Annual Report containing, inter-alia, Standalone Audited Financial Statement, Consolidated Audited Financial Statement, Auditor's Reports thereon, Board's Report, Corporate Governance Report, Business Responsibility and Sustainability Report and other important information is circulated to the members and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available on the website of the Company and Stock Exchanges.

Letters / e-mails / SMS to Investors-

Apart from sending Annual Report, the Company has also addressed various investor-centric letters / e-mails / SMS to its shareholders during the year. These include reminders for claiming unclaimed / unpaid dividend from the Company; dematerialisation of shares, updating e-mail address, PAN, bank account details and Nomination details.

In accordance with the SEBI Circulars the Company has sent letters, emails and SMS to its shareholders intimating them to furnish valid PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account Details, Specimen Signature updated, as applicable, for receiving dividend electronically.

The Company has also participated in the 100 days Campaign "Saksham Niveshak" initiative by IEPF Authority. The first phase of the said campaign was commenced on July 28, 2025 and concluded on November 06, 2025. During this Campaign, all the shareholders who had not claimed their Dividend for any Financial Years from 2018-19 to 2024-25 or had not updated their KYC and nomination or any issues related to unclaimed dividends and shares were encouraged to update their KYC details, bank mandates and contact information so that dividend can be paid to rightful claimant and transfer of shares to IEPF Authority can be prevented. In this regard, several communications through letters and emails were made to the shareholders. The Second phase of the said campaign is also launched by IEPF Authority w.e.f. April 01, 2026.

Additionally, newspaper advertisement issued to enhance the visibility. The copy of the newspaper advertisements is available on the Company's website at https://www.aartidrugs.com/shareholders-information-notice/

Designated e-mail address for Investor Services-

To serve the investors better and as required under Listing regulations, the designated e-mail address for investors complaints/ suggestions/ inquiries is investorrelations@aartidrugs.com

In addition to that, "MUFG Intime India Private Limited", our Registrar and Share Transfer Agents, has developed **'SWAYAM'**, user-friendly web-based application, which empowers shareholders to effortlessly access various services. We request the shareholders to get registered and have first-hand experience of the portal.

This application can be accessed at https://swayam.in.mpms.mufg.com/

CORPORATE GOVERNANCE REPORT (CONTD.)

GENERAL SHAREHOLDERS INFORMATION

i)	The day, date, time & venue of the 41st Annual General Meeting (AGM)	**Day**	**Date**	**Time**	**Venue**
		Saturday	September 26, 2026	11:00 AM IST	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
		Cut-off date for e-voting will be September 19, 2026			
ii)	Financial year and Tentative Financial Calendar	The Company's financial year begins on April 01 and ends on March 31. Our tentative calendar for declaration of the quarterly results during financial year 2026-27 are as follows:			
		Financial Year	**FY 2026-27**		
		June, 2026	Last week of July 2026		
		September, 2026	Last week of October 2026		
		December, 2026	Last week of January 2027		
		March, 2027	1st/2nd week of May 2027		
iii)	Dividend payment date	Not applicable			
iv)	Listing on Stock Exchanges	**Stock Exchange**	**Stock Code/Symbol**		
		BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	524348		
		National Stock Exchange of India Limited "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	AARTIDRUGS		
v)	Listing fees and Annual Custodial Fee	The Company had paid the Annual Listing Fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the FY 2026-27.			
vi)	Registrar & Transfer Agents & Address for Correspondence	**M/s. MUFG Intime India Private Limited** (Formerly Known as Link Intime India Private Limited) C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083, Tel. No. +91 22 49186000 | Fax No. 022 - 4918 6060 Email ID: rnt.helpdesk@in.mpms.mufg.com. Website: www.in.mpms.mufg.com The shareholders are requested to address all their communications/ suggestions/ grievances to the Share Transfer Agents at the above address.			
vii)	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 01, 2019, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of Equity Shares in electronic form are effected through the depositories with no involvement of the Company. Further, all requests for transmission, transposition, issue of duplicate share certificate, claim from unclaimed suspense account, renewal/exchange of share certificate, endorsement, subdivision/splitting of share certificate and consolidation of share certificates/folios are being processed only in demat form.			
viii)	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. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with RTA, by sending a letter, duly signed by the first/joint holder quoting details of Folio Number.			

CORPORATE GOVERNANCE REPORT (CONTD.)

ix) During the year there are no any instances of suspension of securities of the Company from Trading.

x) Shareholding Pattern:

Category	As on March 31, 2026		As on March 31, 2025		% Change
	No. of Shares	%	No. of Shares	%	
Promoter and Promoter Group	5,02,23,411	55.03	5,06,33,180	55.48	(0.45)
Mutual Funds	92,52,381	10.14	79,90,515	8.75	1.39
Foreign Portfolio Investors	14,39,801	1.58	20,51,977	2.25	(0.67)
Alternate Investment Funds	2,544	0	7,95,660	0.87	(0.87)
Resident Individuals	2,69,17,308	29.5	2,67,29,483	29.29	0.21
Body Corporate	9,27,302	1.02	8,78,726	0.96	0.06
Others	25,07,253	2.73	21,90,459	2.4	0.33
Total	**9,12,70,000.00**	**100.00**	**9,12,70,000.00**	**100.00**	

xi) Distribution of Shareholding as on March 31, 2026:

No. of Shares	Shareholders		Shares	
	Number	%	Number	%
1 to 500	1,41,145	95.31	7,67,89,870	8.41
501 to 1000	3,846	2.60	2,86,96,690	3.14
1001 to 2000	1,670	1.13	2,38,66,780	2.62
2001 to 3000	484	0.33	1,19,87,050	1.31
3001 to 4000	263	0.18	93,90,830	1.03
4001 to 5000	132	0.09	61,23,570	0.67
5001 to 10000	254	0.17	1,76,81,670	1.94
Above 10000	289	0.20	73,81,63,540	80.88
TOTAL :	**1,48,083**	**100**	**9,12,70,000**	**100**

xii) Dematerialisation of Shares and Liquidity:

99.38% 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 No: INE767A01016.

Particulars	NSDL	CDSL	Physical	Total
Shares (nos.)	80992543	9712692	564765	91270000
Shares (%)	88.74	10.64	0.62	100

Further, the entire shareholding of Promoter and Promoter Group are held in dematerialised mode only.

The shares of the Company are traded regularly at the BSE Limited and National Stock Exchange of India Limited.

xiii) ADRs/ GDRs/ Warrants/Convertible instruments:

The Company has not issued any GDRs/ADRs/ Warrants or any other convertible instruments. During the year there are no such outstanding instruments.

xiv) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

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. 37 to the Annual Accounts.

xv) Plant Locations:

- MIDC Industrial Area, Tarapur, Village Pamtembhi, Dist. Palghar, Maharashtra 401 506
  - Plot No. N-198, 199,202,205,206 & 229
  - Plot No. G-60
  - Plot No. G-61, 62
  - Plot No. E-21
  - Plot No. E-9/3-4
  - Plot No. E-22
  - Plot No. E-120, 119, 104, 105, 106
  - Plot No. T-150
  - Plot No. W-60(B),61(B),62(B),71(B),72(B),73(B)
  - Plot No. K-40,41,35

CORPORATE GOVERNANCE REPORT (CONTD.)

- GIDC, Sarigam, Dist.Valsad, Gujarat- 396155
  - Plot No. 2902/2904, 2509, 2601, 2602, 2603, 2604, 2605
  - Plot No. 211, 213
- Plot No. DP-94 to 96, Saykha Industrial Estate, Tal. Vagra, Dist. Bharuch, Gujarat

R & D Centres: Plot No. E-1, MIDC, Tarapur, Village Pamtembhi, Dist. Palghar - 401 506, Maharashtra

xvi) Address for Correspondence:

- **Corporate and Head Office:** Ground Floor, Mahendra Industrial Estate, Plot No. 109-D, Road No.29, Sion (E), Mumbai - 400 022, Maharashtra
- **Registered Office:** Plot No. N-198, MIDC, Tarapur, Village-Pamtembhi, Taluka and Dist. Palghar - 401 506, Maharashtra

xvii) Credit Rating:

The Company has not issued any debt instruments and 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.

Below are the details of Credit Ratings as on March 31, 2026

Facilities	CRISIL Rating	ICRA Rating
Long Term Rating	CRISIL AA-/Stable	ICRA AA-/Stable
Short Term Rating	CRISIL A1+	ICRA A1+

xviii) Disclosure in respect of Equity Shares transferred to Unclaimed Suspense Account and Suspense Escrow Demat Account

Aarti Drugs Limited - Unclaimed Suspense Account:

In accordance with the requirements of Regulations 34 and 39 read with Schedule V(F) of the Listing Regulations details of equity shares in Aarti Drugs Limited – Unclaimed Suspense Account are as follows:

Particulars	Demat		Physical	
	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 March 31, 2025	70	3566	-	-
No. of shareholders who approached the Company for transfer of shares from suspense account during the year.	3	1422	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	3	1422		
Shares transferred to IEPF A/c	0	0	-	-
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2026.	67	2144	-	-

Aarti Drugs Limited - Suspense Escrow Demat Account:

In accordance with the requirements of SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022 the Company has opened a Suspense Escrow Demat Account with the DP for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of Confirmation to the shareholders in lieu of physical share certificate(s) to enable them to make a request to DP for dematerialising their shares.

During the year, no shares were due and transferred to the aforesaid account.

All the corporate benefits against these shares like bonus shares, split, etc., would also be transferred to Unclaimed Suspense Account and Suspense Escrow Demat Account of the Company. While the dividend for the shares which are lying in Unclaimed Suspense Account and Suspense Escrow Demat Account would be credited back to the relevant dividend accounts of the Company.

The voting rights on shares lying in Unclaimed Suspense Account and Suspense Escrow Demat Account shall remain frozen till the rightful owner claims the shares.

xix) CEO/ CFO Certification:

As required under Regulations 17(8) of Listing Regulations, certificates are duly signed by Shri Prakash M. Patil, CEO and Shri Adhish P. Patil, CFO were placed at the Meeting of the Board of Directors held on May 15, 2026 copy of which is attached in this Annual Report. The CEO and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

DISCLOSURES:

(i) During the year, there were no material related party transactions that may have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts and also reported to the Stock Exchanges on half yearly basis pursuant to Regulation 23(9) of Listing Regulations. Further there are no Loans and advances in the nature of loans to firms/companies in which directors of the Company or Subsidiaries are interested.

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 at the following weblink https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/

(ii) In terms of clause 5A of Para A of Part A of Schedule III of Listing Regulations, there are no agreements with any party which impact the management or control of the Company or impose any restriction or create any liability upon the Company.

(iii) During the Financial Year 2024-25, administrative warning letter dated March 04, 2025 was issued by Securities and Exchange Board of India (SEBI) to the Compliance Officer of the Company for not obtaining requisite details of all the immediate relatives of the designated persons(DPs) (except spouses of DPs) and not making Code of Conduct under PIT Regulations applicable to them in terms of Regulation 9(3) of the PIT Regulations. Adequate measures have been taken to comply with the requirements of aforesaid SEBI letter.

A cautionary email/ letter was issued by the Stock Exchanges dated April 01, 2025 for delay of three days in submission of announcement in respect of voluntary closure direction of manufacturing activity of particular product at T-150 unit located at Tarapur by a regulatory authority i.e. Maharashtra Pollution Control Board (MPCB) required to be made within 24 hours from the receipt of the said direction / order in terms of relevant Regulation 30 of SEBI Listing Regulations read with relevant Schedule and SEBI Circular.

During the Financial Year 2023-24, Securities and Exchange Board of India (SEBI) has issued an Administrative warning letter pertaining to non-disclosure of information under regulation 30 of the Listing Regulations and failure to update Policy for Determination of Materiality of any event / information on the Website of the Company as per amended regulation 30(4) (i)(c) of the Listing Regulations. Adequate measures have been taken to comply with the requirements of aforesaid SEBI letter.

(iv) Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has formulated Whistle Blower Policy for Vigil Mechanism for Directors and Employees to report to the Management about the unethical behaviour, fraud or violation of Company's code of conduct. The same has been hosted under "investor relations" section of the website of the Company at weblink: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/

The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel has been denied access to the Audit Committee.

(v) 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 following weblink: https://www.aartidrugs.com/corporate-governance-insider-trading-regulation/

(vi) To determine 'material subsidiary', the Company has adopted a 'Policy for Determining Material Subsidiary' and the same has been hosted on the website of the Company at the following weblink: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents/

CORPORATE GOVERNANCE REPORT (CONTD.)

(vii) The Company has complied with all the requirements of Corporate Governance Report as provided in paras (2) to (10) of Part C of Schedule V of Listing Regulations

(viii) There were no instances during the FY 2025-26, wherein the Board had not accepted recommendations made by any committee of the Board

(ix) Total fees of ₹ 14.58 lakhs for FY 2025-26, for all services were 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, the details of the same are mentioned below:

(₹ in lakhs)

Particulars	Aarti Drugs Limited	Pinnacle Life Science Private Limited	Aarti Speciality Chemicals Limited	Total
Audit Fees	13.00	0.95	0.20	**14.15**
Certification Charges	0.25	0.05	-	**0.30**
Out if pocket expenses	-	0.13	-	**0.13**
Total	**13.25**	**1.13**	**0.20**	**14.58**

(x) During the financial year 2025-26, the Company has not raised funds through any kind of issue (public issue, rights issue, preferential issue, etc.) as specified in regulation 32(7A).

(xi) 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

(xii) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

(xiii) With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a code of Conduct to regulate, monitor and report trading by Insiders.

(xiv) 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.

(xv) Pinnacle Life Science Private Limited has been classified as the material subsidiary as it fulfils the criteria given under Regulation 16(1)(c) of the Listing Regulations, details of which are mentioned below:

Name	Pinnacle Life Science Private Limited
Date of Incorporation	January 15, 2003
Place of Incorporation	Registered Office at the time of incorporation was situated at Madhya Pradesh, which is subsequently shifted to Baddi, Himachal Pradesh
Name of Statutory Auditors	Kirtane & Pandit LLP, Chartered Accountants
Date of Appointment of Statutory Auditors	Appointed at the AGM dated September 23, 2025 for the period of 5 years.

CORPORATE GOVERNANCE REPORT (CONTD.)

DISCRETIONARY REQUIREMENTS

The status of compliance with discretionary requirements of Part E of schedule II of Listing Regulations with Stock Exchanges is provided below:

Sr. No.	Particulars	Remarks
1	Non-Executive Chairman's Office	The Company does not have 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 household of the shareholders.
3	Audit Qualifications	Auditors' Report on Company's financial statement for FY 2025-26 is unmodified.
4	Separate posts of Chairman and MD/CEO	The Company does not have separate post of Chairman and MD/ CEO.
5	Reporting of Internal Auditor	The Internal Auditor reports to Chairman & Managing Director and has direct access to the Audit Committee.
6	Separate meeting of Independent Directors	During the financial year 2025-26, the Independent Directors meeting was held once without the presence of non-independent director and the members of the management.

For and on behalf of the Board

Sd/-
Prakash M. Patil
Chairman, Managing Director & CEO
DIN:00005618

Place: Mumbai
Date: July 31, 2026

CORPORATE GOVERNANCE REPORT (CONTD.)

DECLARATION BY CHIEF EXECUTIVE OFFICER

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

For and on behalf of the Board

Sd/-
Prakash M. Patil
Chairman, Managing Director & CEO
DIN:00005618

Place: Mumbai
Date: May 15, 2026

CORPORATE GOVERNANCE REPORT (CONTD.)

CEO & CFO CERTIFICATION

[Pursuant to Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015]

We certify that

A. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2026 and that to the best of our knowledge and belief:

   1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2026 which are fraudulent, illegal or violative of the Company's code of conduct;

C. 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.

D. We have indicated to the Auditors and the Audit Committee that -

   1) There has not been any significant changes in internal control over the financial reporting during the year ended March 31, 2026;

   2) There has not been any significant changes in accounting policies during the year ended March 31, 2026 and that the same have been disclosed in the notes to the financial statements; and

   3) We are not aware of any instances during the year ended March 31, 2026 of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For AARTI DRUGS LIMITED

Place: Mumbai
Date: May 15, 2026

Sd/-
Prakash M. Patil
Chairman, Managing Director & CEO
DIN:00005618

Sd/-
Adhish P. Patil
Chief Financial Officer

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: Aarti Drugs Limited
(CIN: L37060MH1984PLC055433)
Plot No. N - 198, M.I.D.C., Tarapur,
Village-Pamtembhi, Dist. Palghar,
Maharashtra - 401 506

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aarti Drugs Limited** having CIN: L37060MH1984PLC055433 and having registered office at Plot No. N - 198, M.I.D.C., Tarapur, Village-Pamtembhi, Dist. Palghar, Maharashtra - 401 506 (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 our opinion and to the best of our 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 and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below **for the Financial Year ended on March 31, 2026** had 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	DIN	Date of Appointment as Director	Date of Cessation as Director
1	Harshit Manilal Savla	00005340	02/01/1987	Continuing
2	Harit Pragji Shah	00005501	15/09/1995	Continuing
3	Prakash Moreshwar Patil	00005618	05/01/1985	Continuing
4	Rashesh Chandrakant Gogri	00066291	16/08/2012	Continuing
5	Narendra Jagannath Salvi	00299202	25/08/2020	Continuing
6	Uday Moreshwar Patil	01186406	18/10/2000	Continuing
7	Ankit Vikram Paleja	06975564	13/10/2021	Continuing
8	Bhaskar Narayan Thorat	01293824	09/05/2022	Continuing
9	Neha Rajen Gada	01642373	09/05/2022	Continuing
10	Ajit Eledath Venugopalan	09439069	29/03/2024	Continuing
11	Hasmukh Bhavanji Dedhia	07510925	29/03/2024	Continuing
12	Sandeep Madhusudan Joshi	00516409	29/03/2024	Continuing

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

For Mehta & Mehta
(ICSI Unique Code No. P1996MH007500)
Company Secretaries,

CS Monali Bhandari
Partner
Company Secretaries
ACS No. 27091 C.P. No. 10272
UDIN: A027091H000923021
PR No.: 7281/2025

Place: Mumbai
Date: July 23, 2026

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Aarti Drugs Limited,
Plot No. N – 198, M.I.D.C., Tarapur,
Village – Pamtembhi, Taluka & Dist. Palghar – 401 506.
Maharashtra, (India)

Dear Members,

Background:

1. We, Gokhale & Sathe, Chartered Accountants, being the Statutory Auditors of **Aarti Drugs Limited** ("the Company") are issuing this certificate as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company. The Corporate Governance Report prepared by Aarti Drugs Limited, contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the SEBI Listing Regulations") as amended from time to time, ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2026.

Management's and Board of Director's Responsibility:

2. The preparation of the Corporate Governance Report is the responsibility of the Management and Board of Directors of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility:

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the SEBI Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. We have examined (a) the minutes of the meetings of the board of directors of the Company (the "Board") and of committees of the Board, the annual general meeting of the shareholders of the Company; (b) declarations made by the Board under relevant statutory / regulatory requirements; (c) relevant statutory registers maintained by the Company; and (d) such other documents and records of the Company as we deemed necessary, in connection with ascertaining compliance with the conditions of corporate governance by the Company, as prescribed under the, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations").

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion:

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the financial year ended March 31, 2026.

CORPORATE GOVERNANCE REPORT (CONTD.)

Restriction on use:

10. The Certificate is addressed & issued to the members of the Company solely for their consideration and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Disclaimer:

11. Such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Gokhale & Sathe,**
Chartered Accountants,
Firm Registration No.: 103264W

Ravindra More
Partner
Membership No. 153666
UDIN: 26153666MPVCVA4720

Date: July 31, 2026
Place: Mumbai

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L37060MH1984PLC055433
2.	Name of the Listed Entity	Aarti Drugs Limited
3.	Year of incorporation	1984
4.	Registered office address	Plot No. N-198, M.I.D.C. Tarapur, Village – Pamtembhi, Taluka & Dist. Palghar- 401506 Maharashtra, India
5.	Corporate address	Ground Floor, Mahendra Industrial Estate, Plot No 109-D, Road No. 29, Sion (East), Mumbai – 400022, Maharashtra, India
6.	E-mail	investorrelations@aartidrugs.com
7.	Telephone	+9122-24019025
8.	Website	www.aartidrugs.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. National Stock Exchange of India Limited b. BSE Limited
11.	Paid-up Capital	As on March 31, 2026 total paid up capital of the Company stood at ₹ 91,27,00,000 consisting of 91270000 Equity shares of ₹ 10/- each
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	a. Name - Rushikesh V. Deole b. Designation - Company Secretary c. Telephone Number - (022) 2401 9025 d. E-mail ID -investorrelations@aartidrugs.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis (Business Responsibility initiatives of the parent Company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries).
14.	Name of assessment or assurance provider	Not applicable, as BRSR Core Assurance is not mandatory for the Company.
15.	Type of assessment of 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 Turnover of the entity
1.	Manufacturing of Pharmaceuticals	Manufacturing and Marketing of Pharmaceuticals and Chemical products	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	21001	89%
2	Speciality Chemicals	21001	8%
3	Intermediates & others	21001	3%

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	13	2	15
International	0	0	0

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 states and 8 union territories
International (No. of Countries)	Over 100 countries served across the six continents - Asia, North America, Europe, Africa, South America and Australia

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 38% of its revenue.

c. A brief on types of customers

The Company serves a diverse global customer base, including pharmaceutical formulation companies, specialty chemical manufacturers, and dyes and pigments manufacturers across the globe.

IV. Employees

20. Details as at the end of Financial Year:

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)	1028	873	84.92%	155	15.08%
2.	Other than Permanent (E)	468	412	88.03%	56	11.97%
3.	**Total employees (D + E)**	**1496**	**1285**	**85.90%**	**211**	**14.10%**
	WORKERS					
4.	Permanent (F)	327	326	99.69%	1	0.31%
5.	Other than Permanent (G)	1008	971	96.33%	37	3.67%
6.	**Total workers (F + G)**	**1335**	**1297**	**97.15%**	**38**	**2.85%**

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)	2	1	50.00%	1	50.00%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total differently abled employees (D + E)	2	1	50.00%	1	50.00%
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	2	2	100%	0	0.00%
5.	Other than permanent (G)	0	0	0.00%	0	0.00%
6.	Total differently abled workers (F + G)	2	2	100%	0	0.00%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	1	8.33%
Key Management Personnel	2	0	-

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

22. Turnover rate for permanent employees and workers

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male %	Female %	Total %	Male %	Female %	Total %	Male %	Female %	Total %
Permanent Employees	20.23	9.79	**18.71**	9.25	10.26	**9.38**	8.64	12.00	**9.08**
Permanent Workers	6.27	0.00	**6.25**	4.99	0.00	**4.98**	2.46	0.00	**2.46**

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.	Pinnacle Life Science Private Limited	Subsidiary	100%	Business Responsibility initiatives of the parent Company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.
2.	Aarti Speciality Chemicals Limited	Subsidiary	100%	
3.	Pinnacle Chile SpA	Subsidiary	95%	
4.	Pharma Go SpA	Subsidiary	95% (through Pinnacle Chile SpA)	
5.	Tripharma Chile SpA	Subsidiary	95% (through Pinnacle Chile SpA)	

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in ₹): **2,26,038.50 lakhs**

(iii) Networth (in ₹): **1,40,479.08 lakhs**

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:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism 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	https://www.aartidrugs.com/corporate-governance-code-of-conduct	0	0	-	0	0	-
Investors (other than shareholders)	https://www.aartidrugs.com/shareholders-information-stock-information	0	0	-	0	0	-
Shareholders	https://www.aartidrugs.com/shareholders-information-stock-information	4	0	-	18	0	-
Employees and workers	https://www.aartidrugs.com/corporate-governance-code-of-conduct	0	0	-	0	0	-
Customers	https://www.aartidrugs.com/contact-us https://www.aartidrugs.com/corporate-governance-code-of-conduct	3	0	-	3	0	-

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism 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
Value Chain Partners	https://www.aartidrugs.com/contact-us https://www.aartidrugs.com/corporate-governance-code-of-conduct https://www.aartidrugs.com/supplier-code-of-conduct	0	0	-	0	0	-
Others (please specify)	NA	-	-	-	-	-	-

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 along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	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.	Climate Change, Energy & Emission Management	Risk & Opportunity	The Company recognises that climate change presents both risks and opportunities, including potential operational and manufacturing losses due to climate-related events, as well as opportunities for innovation, resource efficiency and sustainable business practices.	Develop climate resilience strategies and initiatives to reduce the Company's carbon footprint and enhance environmental sustainability.	Positive and Negative
2.	Sustainable Supply Chain & Responsible Procurement	Risk & Opportunity	Efficient and sustainable sourcing helps reduce costs, environmental impact and supply chain disruptions. Ensuring supplier adherence to social and human rights standards helps mitigate risks related to labour practices and human rights violations.	Implement stringent supplier assessments and sustainable sourcing practices, supported by regular audits and collaboration to improve suppliers' environmental and social performance. Provide training on sustainable procurement to key strategic suppliers.	Positive and Negative
3.	Water and wastewater management	Risk & Opportunity	Effective water management ensures sustainable resource availability, minimises environmental impact, and mitigates risks arising from water scarcity and regulatory non-compliance.	Implement water-saving technologies and conservation practices and has established a Zero Liquid Discharge (ZLD) mechanism. Currently, 10 out of 12 API manufacturing facilities operate on a ZLD basis, while the remaining 2 are connected to a Common Effluent Treatment Plant (CETP) for further treatment. The Company has also developed a Water Policy to promote water conservation and effective management of water resources.	Positive and Negative
4.	Waste and hazardous Materials management	Risk & Opportunity	Waste generated from the Company's operations comprises both hazardous and non-hazardous waste. Effective waste management helps minimise environmental impact and regulatory risks while creating opportunities for resource recovery.	Implement comprehensive waste reduction, recycling and management practices to minimise pollution, conserve natural resources and protect human health and the environment. Waste is managed through various methods, including: - Reduction at source - Hazardous waste management - Waste-to-energy - Landfilling - Recycling - Incineration	Positive and Negative
5.	Occupational Health & Safety	Risk	As a responsible manufacturing Company, safeguarding the health and safety of employees and workers is a key priority. Effective occupational health and safety practices help prevent workplace accidents, promote employee well-being, reduce absenteeism and ensure compliance with applicable regulations.	Implement robust occupational health and safety programmes, including regular safety training, awareness initiatives and mock drills, to promote proactive hazard identification, risk management and prevention of workplace incidents.	Negative
6.	Community Impact, Relations and Development	Opportunity	Engaging with local communities through CSR initiatives strengthens stakeholder relationships, enhances the Company's reputation and contributes to inclusive and sustainable community development.	N.A.	Positive
7.	Product Safety	Risk	Ensuring product quality and safety protects consumer health, supports regulatory compliance and safeguards the Company's reputation. Any deficiency in product quality or safety may result in revenue loss, reputational damage and regulatory action.	Implement rigorous quality control and safety testing procedures, with a strong focus on strengthening its Quality Assurance (QA) and Quality Control (QC) functions to ensure consistent product quality, safety and regulatory compliance.	Negative
8.	Corporate Governance	Risk & Opportunity	Compliance with applicable laws and regulations supports the Company's reputation, smooth operations and long-term stakeholder value. Strong corporate governance and ethical practices promote responsible decision-making, transparency and stakeholder trust, while non-compliances may result in regulatory action and reputational risks.	Implement comprehensive compliance programmes and conducts regular reviews and audits to strengthen regulatory compliance. Corporate Governance practices are periodically reviewed to enhance governance standards and ensure continued adherence. The Board and Audit Committee also oversee the identification, prevention and mitigation of potential conflicts of interest.	Positive and Negative

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	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)
9.	Business Ethics	Risk	Upholding high ethical standards helps mitigate legal, compliance and reputational risks and strengthens stakeholder trust.	Implement robust ethics training and compliance programmes, supported by a stringent and comprehensive Code of Conduct and related policies, to promote ethical behaviour, integrity and responsible conduct at all levels of the organisation.	Negative
10.	Economic Performance	Risk & Opportunity	Strong economic performance supports business resilience, long-term viability and sustainable growth, while poor performance may adversely impact the Company's financial sustainability and stakeholder value.	Implement robust financial management and strategic planning to strengthen financial resilience, support sustainable growth and enhance long-term stakeholder value.	Positive and Negative
11.	Regulatory Compliance	Risk	Compliance with applicable laws and regulations helps prevent legal and regulatory penalties, safeguard operational integrity and maintain stakeholder confidence.	Implement comprehensive compliance programmes and conduct regular audits to ensure adherence to applicable laws, regulations and internal policies, while strengthening operational integrity and risk management.	Negative
12.	Data Privacy & Integrity	Risk	Ensuring data privacy and security helps protect against data breaches, regulatory and legal penalties, financial losses and reputational damage.	Implement robust cybersecurity measures and data protection policies to safeguard sensitive information, prevent data breaches and ensure compliance with applicable data protection requirements.	Negative
13.	Risk Management	Risk & Opportunity	Proactive risk management helps identify, assess and mitigate potential operational, financial, compliance and reputational risks, thereby strengthening business resilience.	Develop and implement comprehensive risk management frameworks, with the Risk Management Committee overseeing the identification and implementation of appropriate risk mitigation strategies as required. The Code of Conduct and Whistle Blower Mechanism further promote transparency and accountability, enabling early identification and resolution of concerns and helping minimise legal, financial and reputational risks.	Positive and Negative

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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)	Yes								
	b.	Has the policy been approved by the Board? (Yes/No)	All Statutory Policies and Codes are adopted in accordance with the applicable legal and regulatory requirements and are subject to approval by the respective competent authority, including the Board of Directors, its Committees, or the Company's Management, as applicable.								
	c.	Web Link of the Policies, if available	Mandatory policies are uploaded on the website of the Company and can be accessed through the following web links: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents https://www.aartidrugs.com/sustainability-policies								
2.	Whether the entity has translated the policy into procedures. (Yes / No)		Yes								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)		Yes, the Company has 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, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		• Certificates such as ANVISA, KFDA, COFEPRIS, WC • Certificate, TGA, WHO-GMP and TFDA are obtained to facilitate business operations in countries including Brazil, South Korea, Mexico, European nations, Australia, Africa, Middle East, Southeast ASIA and Taiwan • ISO 9001: 2015 – Quality Management System • ISO 14001:2015 – Environmental Management System • ISO 45001:2018 – Occupational Health & Safety Management System • ISO - 27001:2022 Information Security • Good Manufacturing Practice (GMP) compliance across facilities as per various Global Standards for GMP like ICH, EU-GMP, PIC/S, WHO-TRS, etc. • WHO-GMP accreditations received for several plants • We observe Global Reporting Initiative (GRI) 2021 and EcoVadis Standards as positive contribution to Environment, Social and Governance (ESG) stewardship. • Sustainability milestones are aligned with the United Nations Sustainable Development Goals (SDGs) and the principles of the United Nations Global Compact (UNGC). • EU-GMP and EDQM								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.		Yes								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.		The performance under each of the BRSR Principles is periodically reviewedby various Committees led by the Management and Board of Directors.								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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) Please refer to the "Chairman's message" and "Management Discussion & Analysis report" sections of the Annual Report.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board is the highest authority responsible for implementation and oversight of the Business Responsibility policies. To ensure effective governance and monitoring, the Board has constituted various Committees to oversee and review specific aspects of Business Responsibility, as applicable.								
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.	Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee periodically review the sustainability initiatives of the Company on the basis of applicable regulatory requirements. The composition of these Committees is provided in the Corporate Governance Report. In addition, the Company has constituted Sustainability Committee comprising executive directors and members from EHS and Sustainability department to assist the Board to achieve its sustainability goals.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken 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	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically/ on a need basis by the Internal Auditors, Department heads/ Director/ Board/ its Committees/ Sustainability Committee and any other committees wherever applicable.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Compliance with all applicable statutory and regulatory requirements is reviewed by the Board of Directors and its respective Committees, as applicable, on a quarterly basis.																	

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.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No. The policies of the Company are subject to review and audit by the Internal Auditors of the Company. The effective implementation and functioning of these policies is also ensured by the various Department Heads/ Directors/ Committees of the Board/ Other Committees, wherever applicable. We are also in the process of undertaking independent third-party assurance for our sustainability performance.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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)									

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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 Key Managerial Personnel	1	The Company conducts familiarisation programme for its Board of Directors at regular intervals which covers topics such as ESG parameters, corporate governance practices, employee wellbeing, innovation and R&D and relevant regulatory and statutory. This familiarisation programme is also extended to Key Managerial Personnel.	100%
Employees other than BoD and KMPs	1046	Employees undergo various training and awareness programmes throughout their employment, including induction training at the time of joining, training on the Code of Conduct, technical and compliance-related training, and occupational health and safety training. These programmes are designed to enhance their knowledge, skills, compliance awareness and commitment to a safe and responsible workplace.	100%
Workers	1008	Workers undergo various training and awareness programmes throughout their employment, including induction training at the time of joining, training on the Code of Conduct, technical and compliance-related training, and occupational health and safety training. These programmes are designed to enhance their knowledge, skills, compliance awareness and commitment to a safe and responsible workplace.	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 (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement					
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				

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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.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
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.

The Company has a comprehensive and well-defined Code of Conduct, Vigil Mechanism policy and Anti-Bribery & Anti-Corruption Policy that places significant emphasis on anti-corruption and anti-bribery practices, which place strong emphasis on ethical business practices, prevention of bribery and corruption, and responsible conduct. The Company expects its Directors, employees and workers to adhere to the principles and requirements prescribed under these policies and discharge their responsibilities with utmost integrity, diligence, fairness and transparency. The policy strictly prohibits offering, giving, soliciting or accepting of bribes or any other undue or unfair advantage, whether directly or indirectly, for obtaining or securing any business or other benefit. We provide appropriate training to Directors, employees and workers to promote understanding and effective implementation of these policies.

Code of Conduct is available at: https://www.aartidrugs.com/corporate-governance-code-of-conduct

Vigil Mechanism policy and Anti-Bribery and Anti-Corruption Policy are available at: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents.

5. Number of Directors/KMPs/employees/workers 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 the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the 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, penalties or other regulatory actions 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	98 days	93 days

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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	7.51%	9.47%
	b. Number of trading houses where purchases are made from	74	63
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	48.64%	54.64%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	13.89%	14.13%
	b. Number of dealers / distributors to whom sales are made	133	130
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	59.49%	59.67%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.60%	1.25%
	b. Sales (Sales to related parties / Total Sales)	1.44%	1.65%
	c. Loans & advances (Loans & advances given to related parties	0.00%	0.00%
	d. Investments (Investments in related parties / Total Investments made)	94%	100%

Leadership Indicator

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

During FY 2024-25, we identified key strategic suppliers and conducted awareness programmes on Sustainable Procurement (ISO 20400). The programme covered the following key areas:

- Sustainable procurement
- Environmental Sustainability
- Respect for Human Rights
- Fair business practices

The Company proposes to continue conducting similar awareness programmes for its value chain partners in the future.

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, every Director of the Company discloses his/her concern or interest in the Company or in other companies, bodies corporate, firms or associations of individuals, including any changes therein and shareholding, on an annual basis and as and when there is any change, in accordance with applicable requirements. During Board Meetings, Directors abstain from participating in discussions and decisions on matters in which they are concerned or interested, as applicable. The Company's Code of Conduct also contains for avoiding conflict of interest.

The Code of Conduct is available at: https://www.aartidrugs.com/corporate-governance-code-of-conduct

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	27%	11.00%	Note-1
Capex	15%	10.85%	Note-2

Note 1: Environmental Benefits of R&D Investments

The Company's strategic investments in its Research and Development (R&D) infrastructure have driven meaningful environmental improvements. These upgrades highlight our ongoing commitment to green innovation and sustainable operations:

Vacuum Oven (121 L):

- **Energy Efficiency:** Utilising vacuum ovens in our laboratories has decreased total energy consumption, which directly reduces greenhouse gas (GHG) emissions and shrinks our carbon footprint.
- **Waste Reduction:** Because these ovens operate at lower temperatures, they prevent the thermal degradation of materials. This preserves resource quality and significantly cuts down on material waste.

Refrigerator/Freezer (400 L):

- **Emission Control:** Implementing energy-efficient refrigeration systems minimises electricity usage, contributing to broader corporate energy-saving and climate goals.
- **VOC Containment:** Securely storing volatile chemicals prevents the release of Volatile Organic Compounds (VOCs), which improves indoor air quality and ensures a safer laboratory environment.

Fume Hood (3900 mm W x 11000 mm D x 1580 mm H):

- **Improved Air Quality:** Fume hoods safely extract and contain dangerous vapors, gases, and dust generated during experiments, keeping them out of the natural environment.
- **Regulatory Compliance:** These systems ensure we meet strict occupational safety and environmental regulations, protecting our workforce and the surrounding ecosystem.

Ultrasonic Cleaning Bath:

- **Water Conservation:** This advanced cleaning technology requires substantially less water than conventional methods, actively supporting our water conservation efforts.
- **Decreased Chemical Use:** Ultrasonic cleaning minimises the reliance on harsh chemical solvents, resulting in a safer, greener, and more sustainable operational process.

Overall Impact:

These enhancements to our R&D facilities demonstrate the Company's dedication to sustainable progress. By prioritising energy efficiency, resource optimisation, and pollution reduction, we continue to lead the industry while upholding our environmental responsibilities.

Note 2: Environmental and Social Value of Capital Investments

The Company's recent capital expenditures have yielded substantial social and environmental benefits, reinforcing our dedication to responsible business practices and corporate sustainability. The primary advantages include:

1) **Enhanced Energy Efficiency and Emission Reductions:** Upgrades to our infrastructure, such as replacing boiler smoke tubes and optimising condenser systems, have greatly improved operational efficiency. This results in lower fuel consumption and reduced GHG emissions, supporting the global transition to a low-carbon economy.

2) **Responsible Waste and Solvent Management:** By implementing solvent recovery units and building dedicated solid waste storage, we have reduced the generation of hazardous waste and curtailed VOC emissions. This promotes better resource conservation and active pollution control.
3) **Proactive Safety and Emission Monitoring:** The installation of comprehensive fire hydrant networks and continuous real-time stack monitoring systems protects the community from environmental hazards. These tools ensure strict regulatory compliance and safeguard local air quality.
4) **Water Conservation and Closed-Loop Operations:** Adopting ultrasonic cleaning methods and SCADA-controlled closed-loop systems significantly reduces our water consumption and VOC output, championing eco-conscious resource management.
5) **Co-Generation and Safe Gas Dispersion:** Co-generation boilers allow us to efficiently produce heat and power simultaneously by utilising waste heat. Furthermore, tall chimneys are strategically designed to safely disperse exhaust gases, protecting ground-level air quality and public health.
6) **Sustainable Water Treatment:** The integration of Reverse Osmosis (RO) technology reduces our dependency on chemical water treatments while promoting extensive water conservation.
7) **Air Quality Improvements:** Air preheaters capture and recycle heat from flue gases to lower energy demands, while scrubbers actively filter airborne pollutants. Together, these systems foster a healthier environment for both our employees and neighboring communities.
8) **Commitment to Worker Safety:** Providing Self-Contained Breathing Apparatus (SCBA) equipment and establishing dedicated occupational health centres highlights our commitment to employee wellbeing. These measures reduce workplace risks and support a healthy, productive workforce.

Conclusion:

The Company's capital investments deliver measurable, positive impacts on both society and the environment. By embracing sustainable technologies and prioritising human health, the Company continuously aligns its operations with core ESG (Environmental, Social, and Governance) values, solidifying its reputation as a responsible and forward-thinking industry leader.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, as part of our Integrated Management System, we evaluate our key suppliers using specialised questionnaires that incorporate sustainability criteria. Vendor assessments are conducted based on the responses provided. Furthermore, we enforce robust guidelines, including a Supplier Code of Conduct and a Responsible Procurement Policy, to ensure that Environmental, Social, and Governance (ESG) matters are comprehensively addressed.

b. If yes, what percentages of inputs were sourced sustainably?

During FY 2025-26, approximately 33% of the Company's total raw material purchases were sourced from leading Indian and multinational companies, many of which have established sustainability targets and goals. The Company engages with suppliers across its value chain to promote alignment with its ESG objectives and sustainability priorities and to encourage responsible and sustainable business practices throughout the supply chain.

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.

At Aarti Drugs, our commitment to waste management extends beyond mere legal compliance. We take proactive steps to minimise waste production and guarantee that all byproducts are processed with the utmost respect for the environment. Our strategy is built upon the following core practices:

a) Plastic and Packaging Waste Management:

We employ a structured approach to collect and separate plastic waste in accordance with the Plastic Waste Management Rules. All on-site plastic is systematically sorted, held in a specific storage zone, and subsequently dispatched to approved recycling facilities for conversion into secondary raw materials. Furthermore, we actively

promote internal recycling by repurposing storage containers and reusing plastic bags for identical materials. Our entire plastic disposal process strictly complies with Extended Producer Responsibility (EPR) mandates.

b) Electronic Waste (E-Waste) Management:

Our facility features designated drop-off stations for electronic waste. To protect sensitive data, all information-bearing devices are securely sanitised prior to disposal. We then transfer these electronics to certified recyclers for safe processing and resource recovery. A comprehensive log of all generated and stored e-waste is kept to guarantee complete accountability and traceability.

c) Hazardous Waste Management:

We handle hazardous materials with the highest level of caution, securing them in a specialised, controlled storage facility on-site. We execute all disposal activities exclusively through channels and vendors authorised by the Pollution Control Boards, aligning perfectly with the Hazardous and Other Wastes (Management and Trans-boundary Movement) Rules, 2016. Digital logs of all disposals are maintained for immediate regulatory review. Furthermore, we continuously monitor and integrate any new environmental regulatory amendments to sustain our high compliance standards.

d) Fly Ash Handling and Disposal:

To prevent ecological contamination, fly ash produced by our boilers is gathered and kept in a secure, covered location. We then distribute this ash to licensed entities, such as brick manufacturers, promoting its beneficial reuse. Every step of the transit and disposal process follows State Pollution Control Board directives to guarantee zero negative environmental impact. As with all our waste streams, we promptly implement any updates to environmental laws to maintain a sustainable and fully compliant operation.

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, our organisation is subject to Extended Producer Responsibility (EPR) regulations. In compliance with these guidelines, we have filed a plastic waste management plan with the Pollution Control Board, registering as both a Brand Owner and an Importer.

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.
-					

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.

Name of Product / Service	Description of the risk / concern	Action Taken
N.A.		

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).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
	-	-

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:

	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste (Fly ash)	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

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	Total (A)	% of employees covered by									
		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	**873**	873	100%	873	100%	N.A	N.A	-	-	-	-
Female	**155**	155	100%	155	100%	155	100%	-	-	-	-
Total	**1028**	**1028**	**100%**	**1028**	**100%**	**155**	**100%**	**-**	**-**	**-**	**-**
Other than Permanent employees											
Male	**412**	-	-	412	100%	-	-	-	-	-	-
Female	**56**	-	-	56	100%	-	-	-	-	-	-
Total	**468**	**-**	**-**	**468**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		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	**326**	326	100%	326	100%	N.A	N.A	-	-	-	-
Female	**1**	1	100%	1	100%	1	100%	-	-	-	-
Total	**327**	**327**	**100%**	**327**	**100%**	**1**	**100%**	**-**	**-**	**-**	**-**
Other than Permanent workers											
Male	**971**	-	-	971	100%	-	-	-	-	-	-
Female	**37**	-	-	37	100%	-	-	-	-	-	-
Total	**1008**	**-**	**-**	**1008**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**

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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	0.14%	0.16%

2. Details of retirement benefits, for Current FY 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 workers	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 workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	N.A	100%	100%	N.A
ESI	14.40%	12.54%		15.44%	13.04%	Y
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, 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.

Considering the nature of ADL's manufacturing operations and the associated occupational requirements, employment opportunities for persons with disabilities may be limited in certain plant operations. However, the Company is committed to providing equal employment opportunities and facilitating the inclusion of differently abled persons, particularly across its office functions. The Company's office premises are equipped with accessibility features, including lifts, to facilitate ease of movement for persons with mobility impairments.

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.

The Company has established internal guidelines to promote equal opportunity and is committed to providing equal employment opportunities to all employees and eligible applicants, without discrimination. As part of its HR policies, the Company has implemented an Anti-Discrimination Policy and a Human Rights Policy, which seek to safeguard employees against discrimination, including on the grounds of disability.

For further details, please refer to the "People Policy" available on the Company's website: https://www.aartidrugs.com/sustainability-policies.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A	N.A	N.A	N.A
Female	100%	100%	N.A	N.A
Total	**100%**	**100%**	**N.A**	**N.A**

Note: No female workers have availed the parental leave during FY 2025-26 and FY 2024-25.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

The Company has a 'Whistle Blower Policy' which provide an effective mechanism for employees and workers to raise concerns and seek redressal of grievances. The policy covers and promotes responsible vigil mechanisms for reporting instances of unethical behaviour, actual or suspected fraud, actual or suspected leak of UPSI, violation of the Company's Code of Conduct, abuse, wrongdoing or violation of any applicable Indian laws. It also provides for adequate safeguards against the victimisation of employees and workers raising concerns in good faith. Further, it allows direct access to the chairperson of the audit committee.

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The Whistle Blower Policy is available at: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents.

A short summary of the mechanism for reporting and resolution of routine complaints and grievances is provided below:

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Grievances may be reported to the Field Supervisor, who escalates the matter to the Factory Manager for appropriate redressal.
Other than Permanent Workers	Grievances may be reported to the Field Supervisor, who escalates the matter to the Factory Manager for appropriate redressal.
Permanent Employees	Grievances may be reported to the respective Reporting Manager for redressal or raised through the HRIS portal.
Other than Permanent Employees	Grievances may be reported to the respective Reporting Manager for appropriate redressal.

Note:- In case a grievance is not resolved through the above channels, the concerned employee or worker may approach the HR Department or the Ethics Officer of the Company for further review and appropriate action.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (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	**1028**	**0**	**NA**	**939**	**0**	**NA**
Male	873	0	NA	808	0	NA
Female	155	0	NA	131	0	NA
Total Permanent Workers	**327**	**190**	**58.10%**	**345**	**159**	**46.09%**
Male	326	190	58.28%	344	159	46.22%
Female	1	0	0.00%	1	0	0.00%

8. Details of training given to employees and workers:

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	**1285**	1285	100%	1285	100%	**1314**	1314	100%	1314	100%
Female	**211**	211	100%	211	100%	**203**	203	100%	203	100%
Total	**1496**	**1496**	**100%**	**1496**	**100%**	**1517**	**1517**	**100%**	**1517**	**100%**
Workers										
Male	**1297**	1297	100%	1297	100%	**1312**	1312	100%	1312	100%
Female	**38**	38	100%	38	100%	**36**	36	100%	36	100%
Total	**1335**	**1335**	**100%**	**1335**	**100%**	**1348**	**1348**	**100%**	**1348**	**100%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	**873**	873	100%	**808**	808	100%
Female	**155**	155	100%	**131**	131	100%
Total	**1028**	**1028**	**100%**	**939**	**939**	**100%**
Workers						
Male	**326**	326	100%	**344**	344	100%
Female	**1**	1	100%	**1**	1	100%
Total	**327**	**327**	**100%**	**345**	**345**	**100%**

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 such system?

Aarti Drugs Limited (ADL) manufactures Active Pharmaceutical Ingredients (APIs), Pharma Intermediates, and Specialty Chemicals, while its wholly-owned subsidiary, Pinnacle Life Science Private Limited, focuses on formulations. The Company operates 13 manufacturing plants in India, primarily in Maharashtra and Gujarat.

Commitment to Safety and Health Standards

ADL's commitment to world-class health and safety standards is driven by its core values of 'Care', 'Integrity' and 'Excellence'. To operationalise these values, the Company has implemented an Occupational Health and Safety Management System (OHSMS) across all sites.

Key components of this system include:

- **Integrated Management System (IMS):** All manufacturing facilities are certified with ISO 9001:2015 (Quality), ISO 14001:2015 (Environment), and ISO 45001:2018 (Occupational Health & Safety).
- **Risk Assessment Tools:** ADL utilises advanced methodologies such as Hazard Operability (HAZOP) for process hazards, Hazard Identification and Risk Assessment (HIRA) for routine and non-routine activities, and Quality Risk Assessment (QRA) for industrial hygiene.
- **Monitoring and Audits:** Top management regularly monitors performance through leading and lagging indicators, including safety studies, internal and external audits, and incident investigations.
- **Continuous Improvement:** ADL implemented extensive Corrective and Preventive Actions (CAPA), including detailed electrical audits, enhanced engineering controls like earthing continuity, and behavioural-based safety (BBS) programmes.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Aarti Drugs Limited (ADL) supports its commitment to a safe workplace through a structured approach involving competent personnel, rigorous risk assessment methodologies, and comprehensive operational safety programmes.

Personnel and Risk Assessment Methodologies

To ensure the inherent safety of its plant operations and process validation, ADL employs experienced and competent personnel to conduct specialised safety studies. These studies utilise advanced methodologies to address different types of hazards:

- **HAZOP (Hazard Operability):** Used specifically to identify and mitigate process-related hazards.
- **HIRA (Hazard Identification and Risk Assessment):** Applied to evaluate risks associated with both routine and non-routine activities.

- **QRA (Quality Risk Assessment):** Also referred to as Industrial Hygiene, this is used to identify risks in exposure-related activities.

Operational Safety Programmes

ADL has integrated several best-in-class safety programmes into its daily operations to maintain high standards of workplace safety. These include:

- **Management of Change (MOC) and Process Management:** Ensuring that any modifications to processes are evaluated for safety before implementation.
- **Pre-Startup Safety Review (PSSR):** Validating safety readiness before beginning or restarting operations.
- **Job Safety Analysis (JSA) and Work Permit System:** Providing structured safety oversight for specific tasks and high-risk work.
- **Vigilance and Site Monitoring:** Safety rounds are conducted regularly by key plant personnel, complemented by cross-site safety audits and Behavior-Based Safety (BBS) initiatives to identify unsafe acts or conditions.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

At Aarti Drugs Limited (ADL), the Company has established a comprehensive framework of safety programmes to proactively identify and mitigate unsafe acts and unsafe conditions. These initiatives include Behaviour Based Safety (BBS), General Plant Conditioning (GPC), Near Miss Reporting (NMR), Incident Management, and global CAPA (Corrective and Preventive Action) compliance.

The BBS initiative is utilised to ensure safe work practices and strict compliance with Personal Protective Equipment (PPE) through effective supervision. Similarly, GPC rounds are conducted across all areas of the facility to identify unsafe conditions and trigger immediate corrective measures. To validate the effectiveness of these various safety programmes, ADL conducts both internal and external safety audits.

The Company emphasises a transparent safety culture where all workers have the access to report hazards, thereby directly participating in the enhancement of workplace safety.

When safety incidents occur, ADL utilises Incident Management and global CAPA compliance to conduct thorough investigations. Corrective and preventive actions resulting from these investigations often involve engineering controls (such as providing earthing), detailed electrical audits, and the implementation of updated Standard Operating Procedures (SOPs).

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Aarti Drugs Limited (ADL) maintains a robust framework for employee well-being that extends beyond the insurance policies and hospital tie-ups you mentioned. According to the sources, the Company's commitment to a safe and healthy workplace is an integral part of its core values of 'Care', 'Integrity', and 'Excellence'.

Comprehensive Health and Insurance Coverage

In addition to the Mediclaim Insurance Policy for personal health and accidental treatment and the specialised ESIC Mediclaim for contract employees, ADL ensures broad coverage across its workforce:

- **Permanent Employees:** 100% are covered by both health and accident insurance.
- **Other than Permanent Employees (including contract workers):** 100% are covered by accident insurance.
- **Permanent Workers:** 100% have access to health and accident insurance.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	00	00
	Workers	00	00
Total recordable work-related injuries	Employees	00	00
	Workers	00	00
No. of fatalities	Employees	00	00
	Workers	00	01
High consequence work-related injury or ill-health (excluding fatalities)	Employees	00	00
	Workers	00	00

*Including in the contract workforce.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The comprehensive safety protocols like HAZOP (Hazard Operability study), HIRA (Hazard Identification and Risk Assessment for routine and non-routine activities), QRA (Qualitative/Quantitative Risk Assessment) implemented by Aarti Drugs Limited to maintain a secure and healthy environment for its entire workforce.

We utilises systematic evaluation tools to identify potential dangers associated with technical processes, daily routines, and industrial hygiene.

- To ensure these standards remain effective, the entity conducts frequent site inspections and formal audits across all its manufacturing plants.
- Additionally, employees receive consistent educational training regarding occupational health and safety requirements.

By applying these protective strategies, the Company aims to mitigate risks and protect the well-being of every staff member.

13. 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 year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

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 & safety practices and working conditions.

We have outlined various proactive measures and systemic improvements implemented to enhance workplace security and health standards.

- Initial efforts focus on technical safety, including rigorous electrical audits, equipment maintenance, and the installation of grounding systems to prevent accidents.
- To bolster human response, the organisation conducts emergency drills and provides specialised first aid training to staff and contractors.
- Management also emphasises a culture of awareness through daily safety briefings and the enforcement of protective gear protocols.
- Furthermore, a centralised reporting system ensures that lessons learned from specific incidents are shared across all units to prevent recurrence.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

- Ultimately, these actions serve as a comprehensive framework for maintaining operational integrity and environmental health.

Leadership Indicator

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We are ensuring that vendors in our value chain are deducting and submitting the required statutory dues on time. Vendors are periodically evaluated and approved based on their compliance with applicable statutory requirements, including timely payment of statutory dues. The Company also ensures that statutory requirements relating to workers engaged through its value chain partners are adhered to, including timely payment of wages and deposit of Provident Fund contributions, as applicable.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are 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/workers 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	00	00	00	00
Workers	00	01	00	00*

*The Company offered Job proposal to the family member of the affected worker, however, the same was not accepted by the family member.

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)

Yes, for employees who are selected and willing to continue beyond their regular employment tenure, the Company may engage them as retainers for a mutually agreed fixed tenure and remuneration. During their employment, employees are provided with focused learning, development and skill-building initiatives to enhance their capabilities and support their continued engagement with the Company.

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	Vendor EHS assessment done for 24 critical value chain partners.
Working Conditions	Vendor EHS assessment done for 24 critical value chain partners.

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.

We have assessed 24 critical value chain partners in the financial year 2025-26.

To further strengthen oversight,

- We had conducted regular vendor EHS assessments and
- Formal audits focused on environmental and workplace safety.
- We are actively tracking carbon emissions across their supply chain to improve overall transparency.

These collective measures aim to ensure that all value chain participants adhere to rigorous health, safety, and sustainability requirements.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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.

The Company has a structured process for identifying and prioritising its key stakeholder groups. The process involves understanding the nature of the Company's business and operations, identifying stakeholders who are directly affected by or have an interest in the Company's activities and performance, assessing their influence and impact, and developing appropriate stakeholder engagement mechanisms based on the identified needs and priorities.

Based on this assessment, the Company has identified the following key stakeholder groups:

Employees: Employees are critical to the Company's operations and success and are directly impacted by the Company's workplace practices, policies and initiatives.

Customers: Customers are key stakeholders who are directly impacted by the quality, safety, reliability and sustainability of the Company's products and services.

Suppliers: Suppliers provide essential raw materials, products and services and are an integral part of the Company's operations and supply chain. Suppliers are also affected by the Company's activities, as they may be impacted by the Company's demand for their products or services.

Investors and shareholders: Investors and shareholders have a direct interest in the Company's financial performance, governance, long-term value creation and sustainable growth. Therefore, investors and shareholders are another important stakeholder group that we need to consider.

Communities: The communities in which we operate are also important stakeholders. These communities are affected by the Company's activities, as they may be impacted by the Company's pollution or its impact on the local economy.

Government and regulatory bodies: Government and regulatory authorities play an important role in establishing and overseeing compliance with applicable laws, regulations and statutory requirements.

We believe that these stakeholder groups are the most important to our Company's success. We will continue to engage with these groups through appropriate channels and mechanisms to understand their expectations and concerns address relevant issues and strengthen long-term relationships.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	1. Emails and Meetings 2. Employee Satisfaction Surveys 3. Training and awareness Programmes 4. Performance appraisal reviews 5. Grievance Redressal Mechanisms	Ongoing	1. Fair wages and Rewards 2. Work life Balance 3. Training &Skill development 4. Career Growth 5. Occupational Health and Safety 6. Job Security 7. Transparent Communication
Customers	No	1. Customer feedback 2. Customer satisfaction survey 3. Phone calls, emails and Meetings 4. Signed contracts 5. Exhibitions and Events 6. Customer visits & audits 7. Company Website	Ongoing	1. Timely Delivery 2. Quality and Safety 3. Pricing 4. Post-sales Support 5. Product related certifications 6. EHS Management Systems
Suppliers	No	1. Emails and Meetings 2. Vendor Assessment & Review 3. Signed Contracts	Ongoing	1. Timely Payment 2. Continuity of orders 3. Capacity Building 4. Transparency
Investors & Shareholders	No	1. Shareholders Meetings 2. Publishing requisite notices/ press releases/ other communications through Newspaper Advertisements/ e-mails/ websites 3. Annual Reports 4. Company's Website/ dissemination of requisite information on website of stock exchanges and depositories 5. Investor meet	Ongoing	1. Sustainable Growth & Returns 2. Risk Management 3. Corporate Governance 4. Market position and share 5. Operational and financial Performance
Communities	No	1. Training & Workshops 2. Regular Meetings and interactions 3. Need Assessment & Satisfaction Surveys 4. CSR initiative and reports	Ongoing	1. Local Employment 2. Environmental pollution control 3. Infrastructure development 4. Training & Livelihood programmes 5. Participation in social services
Government and Regulatory bodies	No	1. Annual Reports 2. Statutory filings 3. Communication with regulatory authorities 4. Formal Dialogues	Ongoing	1. Tax and Statutory matters 2. Compliance with laws, rules & regulations 3. Employment 4. Pollution Prevention 5. Local Economy Growth

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 is feedback from such consultations provided to the Board.

The respective Business and Functional Heads engage with relevant stakeholders on various ESG-related matters and topics. Key feedback, concerns and insights arising from such stakeholder engagements are appropriately considered and, wherever applicable, reported to the Board of Directors for review and necessary action.

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. The Company has developed its ESG agenda through a structured materiality assessment process, which incorporates inputs and insights gathered through stakeholder consultations. Material topics have been identified, evaluated and prioritised based on their significance and potential impact on the Company's stakeholders and business.

For further details on the materiality assessment process, please refer to Point No. 26 of Section A of this Report.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

Through its Corporate Social Responsibility (CSR) initiatives, the Company focuses on supporting and uplifting the weaker and underprivileged sections of society.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

The Company provides employees and workers with training and awareness programmes covering various aspects of responsible workplace practices and relevant Company policies. These include induction training, Code of Conduct training, compliance training, occupational health and safety training, and sensitisation programmes on Prevention of Sexual Harassment (POSH), which are relevant to promoting a safe, respectful, inclusive and discrimination-free workplace.

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	**1028**	1028	100%	**939**	939	100%
Other than permanent	**468**	468	100%	**578**	578	100%
Total Employees	**1496**	**1496**	**100%**	**1,517**	**1,517**	**100%**
Workers						
Permanent	**327**	327	100%	**345**	345	100%
Other than permanent	**1008**	1008	100%	**1,003**	0	0.00%
Total Workers	**1335**	**1335**	**100%**	**1,348**	**345**	**25.59%**

2. Details of minimum wages paid to employees and workers, in the following format:

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	**1028**	**43**	**4%**	**985**	**96%**	**939**	**222**	**24%**	**717**	**76%**
Male	873	36	4%	837	96%	808	188	23%	620	77%
Female	155	7	5%	148	95%	131	34	26%	97	74%
Other permanent	**468**	**463**	**99%**	**5**	**1%**	**578**	**572**	**99%**	**6**	**1%**
Male	**412**	410	99%	2	1%	**506**	502	99%	4	1%
Female	56	53	95%	3	5%	72	70	97%	2	3%
Workers										
Permanent	**327**	**0**	**0%**	**327**	**100%**	**345**	**62**	**18%**	**283**	**82%**
Male	326	0	0%	326	100%	344	62	18%	282	82%
Female	1	0	0%	1	100%	1	0	0%	1	100%
Other permanent	**1008**	**0**	**0%**	**1008**	**100%**	**1003**	**135**	**13%**	**868**	**87%**
Male	971	0	0%	971	100%	968	100	10%	868	90%
Female	37	0	0%	37	100%	35	35	100%	0	0%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in lakhs)	Number	Median remuneration/ salary/ wages of respective category (₹ in lakhs)
Board of Directors (BoD)*	5	263.59	0	-
Key Managerial Personnel	2	73.49	0	-
Employees other than BoD and KMP	866	3.85	155	3.28
Workers	326	6.28	1	6.60

*includes the remuneration of Executive Directors only.

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	**9.41%**	**8.81%**

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, Company has constituted Ethics Committee and also appointed Ethics Officer which is responsible for addressing human rights issues. Further, Company has a Whistle Blower policy that provides a mechanism for employees and other eligible stakeholders to report concerns. The said policy has been posted at the website of the Company and the weblink thereto is: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Human rights-related grievances may be raised with the Ethics Officer or the Human Resources Department for appropriate review and redressal. The Company also has a Whistle Blower Mechanism for reporting significant concerns. A detailed procedure for raising and addressing such concerns has been laid down in the whistle blower policy. The said policy has been posted at the website of the Company and the weblink thereto is: https://www.aartidrugs.com/corporate-governance-policies-and-related-documents.

Further, HRIS portal is also available through which employees can raise their grievances.

6. Number of Complaints on the following made by employees and workers:

	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)
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	-

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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	-	-
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has implemented Whistle Blower Mechanism through which concerns relating to discrimination and harassment can be directly brought to the notice of Board of Directors. The policy provides adequate safeguard against victimisation of the complainant(s). In matters relating to sexual harassment, the Company has constituted Internal Complaints Committees (ICCs) in accordance with applicable requirements and has implemented appropriate policies and procedures to ensure confidentiality, fair handling of complaints and protection of complainants from victimisation or adverse consequences.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The Company's Code of Conduct and Supplier Code of Conduct are applicable to all the stakeholders which cover the issues pertaining to Human Rights as well.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Company internally monitors compliance with all relevant laws and policies pertaining to these Human Right issues. During the reporting period, no adverse observations or non-compliances relating to human rights were reported by local statutory authorities or independent third parties.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant risks or concerns relating to human rights were identified through the assessments referred to in Question 10 above during the reporting period.

Leadership Indicator

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints

Not applicable as we did not receive any complaint or any grievance during FY 2025-26 relating to the Human rights.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

No such due diligence was conducted. Company is in process to design the Human rights due-diligence.

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

4. Details on assessment of value chain partners:

The Company is in the process of developing a structured procedure for assessing its value chain partners on key human rights and labour-related aspects, including Child Labour, Forced/involuntary labour, Sexual harassment, Discrimination at workplace, Wages, etc. The Company's Code of Conduct and Supplier Code of Conduct are applicable to all the stakeholders which cover the issues pertaining to Human Rights as well.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
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.

NIL

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, in the following format:

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	**Nil**	**Nil**
From non-renewable sources		
Total electricity consumption (D)	339905	307199
Total fuel consumption (E)	1283266	914596
Energy consumption through other sources (F) Steam Purchase	253034.9	281580
Total energy consumed from non- renewable sources (D+E+F)	**1876206**	**1503375**
Total energy consumed (A+B+C+D+E+F)	**1876206**	**1503375**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	=1876206 / 226039 = 8.30 Gigajoules per 1,00,000 Rupees of Sales	= 1503375 / 217365.48 = 6.92 Gigajoules per 1,00,000 Rupees of Sales
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	= 1876206 / 45641.07 = 41.11 Gigajoule/MT of physical output	= 1503375 / 34706.90 = 43.31 Gigajoule/MT of physical output
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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. NO

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.

No, we do not have any site as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water (MIDC Water)	683217	615853
(iv) Seawater / desalinated water	0	0
(v) Others		
Total volume of water withdrawal (in kilo liters) (i + ii + iii + iv + v)	**683217**	**615853**
Total volume of water consumption (in kiloliters)	**683217**	**615853**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	= 683217 / 226039 = 3.02 Kiloliters per 1,00,000 Rupees of Sales	= 615853 / 217365.48 = 2.83 Kiloliters per 1,00,000 Rupees of Sales
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output	= 683217 / 45641.07 = 14.97 KL/MT of product	= 615853 / 34706.90 = 17.74 KL/MT of product
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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. NO

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) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties **(Common Effluent Treatment Plant for further treatment)**	-	-
- No treatment	-	-
- With treatment – please specify level of treatment **(Primary, Secondary, Tertiary, and sent to CETP for further treatment)**	14473	14777
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	**14473**	**14777**

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. NO

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have successfully implemented a robust Zero Liquid Discharge (ZLD) framework across our operations. Currently, 10 of our 12 API manufacturing facilities operate entirely as ZLD sites, meaning all wastewater is processed and repurposed internally. The remaining two units safely route their wastewater to a Common Effluent Treatment Plant (CETP) for specialised external processing.

To sustain these ZLD capabilities, our major plants utilise cutting-edge infrastructure, including Effluent Treatment Plants (ETPs), Multiple Effect Evaporators (MEEs), Mechanical Vapour Recompression (MVR) systems, and in-house distillation units. These advanced technologies allow for highly efficient wastewater recovery and recycling. In instances where effluent discharge does occur, we adhere to all applicable environmental compliance standards, underscoring our dedication to sustainable operations and responsible water stewardship.

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	Tonnes	5.64	2.36
SOx	Tonnes	28.6	27.84
Particulate matter (PM)	Tonnes	36.08	39.74
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

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. NO

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

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	134907	95245
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	71424	66288
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		= (134907 + 71424) / 226039 = 0.91 tonnes per 1,00,000 Rupees of turnover	= (95245 + 66288) / 217365.48 = 0.74 tonnes per 1,00,000 Rupees of turnover
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)	-	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2 equivalent	= (134907 + 71424) / 45641.07 = 4.52 Metric tonnes of CO_2 Equivalent / MT of product	= (95245 + 66288) / 34706.90 = 4.65 Metric tonnes of CO_2 Equivalent / MT of product
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

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. NO

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Aarti Drugs Limited is deeply committed to environmental stewardship and positively impacting the communities in which it operates. Guided by this vision, the Company has developed a strategic roadmap to reach carbon neutrality. To achieve this, their primary focus areas include:

- Transitioning from coal-fired boilers to cleaner fuel alternatives.
- Increasing the adoption of renewable and clean energy sources.
- Optimising daily operations through targeted technological investments and upgrades.

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)**	143.13	153.25
E-waste **(B)**	-	-
Bio-medical waste **(C)**	-	-
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	-	-
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any. **(G)**	44454.97	38614.53
Other Non-hazardous waste generated **(H).** Please specify, if any. **(Fly ash)** (Break-up by composition i.e. by materials relevant to the sector)	6817.26	5288.26
Total (A+B + C + D + E + F + G + H)	**51415.36**	**44056.04**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	= 51415.36 / 226039 = 0.23 tonnes per 1,00,000 Rupees of Sales	= 44056.04 / 217365.48 = 0.20 tonnes per 1,00,000 Rupees of Sales
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	= 51415.36 / 45641.07 = 1.13 MT/MT of product	= 44056.04 / 34706.90 = 1.26 MT/MT of product
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
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	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	3.003	131.06
(ii) Landfilling	5844.099	4651.71
(iii) Other disposal operations		
a) Co- processing	14428.023	12375.88
b) Sale to Recycler	24179.849	21455.87
c) Plastic Sale to Recycler	143.128	153.25
d) Sale to Brick Manufacturer	6817.263	5288.26
Total waste disposed by other disposal operations (a+b+c+d)	**45568.263**	**39273.27**
Total	**51415.365**	**44056.04**

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. NO

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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.

Waste Management and Sustainability Strategy at Aarti Drugs Limited

Aarti Drugs Limited. is deeply committed to rigorous waste management frameworks, prioritising the diversion of waste away from landfills. Our overarching strategy is designed to mitigate pollution, preserve vital natural resources, and safeguard both public health and the environment.

a. Source Reduction: We focus on minimising the generation of hazardous waste at its point of origin through the following steps:

- Maximising the recovery and recycling of chemical reactants.
- Continuously optimising operational processes through Research and Development (R&D).
- Prioritising the adoption of reusable goods.
- Decreasing the overall volume of packaging materials.

b. Hazardous Waste Handling : Our specialised protocols for managing hazardous materials safely and legally include:

- Allocating distinct, dedicated storage facilities for different categories of waste.
- Enforcing strict safety protocols, such as the clear and accurate labelling of all hazardous waste drums and bags.
- Strictly adhering to the manifest tracking system in compliance with State Pollution Control Board regulations.

c. Waste-to-Energy Initiatives : We carefully segregate hazardous waste that possesses a high calorific value and route it to cement manufacturing plants. At these facilities, the waste undergoes co-processing to recover usable energy.

d. Responsible Landfilling : For hazardous waste that has a low calorific value but meets specific regulatory landfill parameters, we ensure it is safely transported to Common Hazardous Waste Treatment, Storage, and Disposal Facilities (CHWTSDF). There, it is securely buried and capped with soil.

e. Resource Recycling : Any waste materials that retain usable potential are systematically recovered and repurposed back into the supply chain wherever technically and economically viable.

f. Controlled Incineration : Hazardous materials that specifically require destruction are dispatched to approved CHWTSDF sites for safe, heavily monitored thermal incineration.

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 in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
N.A.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
N.A.					

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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, in the following format:

Yes. During the reporting period the Company was in compliance with applicable environment norms except the following

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981	During chlorosulfonation process at PTSCL section at T-150 unit, the HCL gas is generated continuously which is absorbed in the water scrubber using a chilled falling film system. During this operation, an incident of HCl gas leakage through the manhole of the scrubbing tank occurred	The Company was directed by Maharashtra Pollution Control Board (MPCB) to voluntarily close down chlorosulfonation process at PTSCL section after completion of the existing production batch as a precautionary measure. The Company had stopped the manufacturing activity of the particular product from September 09, 2025.	The Company has complied with the recommendations of Directorate of Industrial Safety and Health (DISH).

Leadership Indicator

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: Manufacturing locations situated in Maharashtra and Gujarat

ii) Nature of operations: Manufacturing of Pharmaceuticals and Chemical products

iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	683217	615853
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters)	683217	615853
Total volume of water consumption (in kiloliters)	683217	615853
Water intensity per rupee of turnover (Water consumed / turnover)	= 683217 / 226039 = 3.02 Kiloliters per 1,00,000 Rupees of Sales	= 615853 / 217365.48 = 2.83 Kiloliters per 1,00,000 Rupees of Sales
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter	FY 2025-26	FY 2024-25
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties **(Common Effluent Treatment Plant for further treatment)**	-	-
- No treatment	-	-
- With treatment – please specify level of treatment **(Primary, Secondary, Tertiary, and sent to CETP for further treatment)**	14473	14777
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	**14473**	**14777**

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. NO

2. Please provide details of total Scope 3 emissions & its intensity, in the following format: NIL

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

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	Boiler & Thermopack	Tuning of boilers / thermopacs for optimum Air–Fuel ratio to increase efficiency	Improved boiler efficiency
2	MEE	We have installed Three & two stage multiple effect evaporators in our units for effluent treatment to achieve zero liquid discharge. It has around 60% lower energy requirement than conventional evaporation set up.	MEE has much higher steam economy than conventional evaporators.
3	Segregation of hazardous waste generated according to their Calorific value.	Hazardous wastes generated are segregated on the basis of calorific value. Low CV material is disposed off through landfilling. High CV material is disposed off through co-processing / pre-processing in cement kilns.	High calorific value material is used in cement kilns as a fuel. Utilisation of hazardous waste by co-processing in cement Kiln is considered as an effective and sustainable option. There is dual benefit in co-processing of wastes in cement kilns, in terms of utilising the waste as a supplementary fuel as well as an alternative raw material. Wastes contain materials that have the potential for use as an alternative raw material or as a supplementary fuel for energy recovery.
4	Boiler	We have converted external furnace coal fired to semi fluidised boiler to improve steam to coal ratio.	Improved steam to fuel ratio as well as minimise fuel consumption. Also minimise emission
5	Condensate recovery	Condensate recovery improved to reduce fuel consumption.	Improved steam to fuel ratio as well as minimise fuel consumption.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
6	Solvent recovery & yield	We have conducted pilot trials on ATFD to remove residual solvent from feed and improve the yield of product. This has improved solvent recovery and product quality.	Improved yield and solvent recovery
7	Efficient motors	We are using Energy efficient motors (high power factor motors) which saves around 3-5% energy.	Power saving
8	Membrane filter press	Use of membrane type filters press for corrosive products instead of ANF and centrifuge. Product coming from it has less moisture content and use of nitrogen is also reduced. Energy required for operation is also less.	Power saving
9	Chilling plant evaporator	We have modified design of evaporator of a chilling plant. Due to this 100% evaporator tubes are now submerged in refrigerant. It has improved efficiency of a chilling plant.	Chilling plant operated efficiently.
10	Chilling plant compressor	We have installed Freon based chilling plant operating on screw & scroll compressors in order to achieve better energy efficiency.	Improved energy efficiency.
11	IE3 motors	We have started the use of IE-3 motors, these motors have more efficiency than IE-2 motors.	Power saving
12	Boiler	Interchanged position of air pre-heater and mechanical dust collector in briquette fired boiler. APH fouling issue is now reduced and due to clean flue gas to APH overall heat transfer coefficient has improved, results in lesser fuel consumption	Heat recovery from flue gas, so increased boiler efficiency Also fuel saving
13	Co-generation boiler	We have started back pressure turbine for 10 TPH co-generation boiler	We get around 0.16 MW of power which can be effective towards cost savings amid, now we are utilise for in-house consumption.
14	Co-generation boiler	Installation of high pressure co-generation boiler is under process. From this we will get around 1.6 MW of power which can be effective towards cost savings amid, we can utilise for in-house consumption.	We will get around 1.6 MW of power which can be effective towards cost savings amid, we can utilise for in-house consumption.
15	MVR	We have completed the erection activities of MVR & commissioning activities are under progress to achieve zero liquid discharge. MVR has much higher steam economy than conventional evaporators	MVR has much higher steam economy than conventional evaporators.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Aarti Drugs Limited safeguards its continuous operations through a comprehensive Business Continuity Plan (BCP). As part of our proactive readiness, our staff participates in routine mock drills and disaster management exercises to effectively respond to any unforeseen emergencies.

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.

Recognising the considerable environmental footprint associated with the pharmaceutical sector, our Company is taking proactive steps to identify key emission hotspots. We are currently conducting Life Cycle Assessments (LCAs) for our ten highest-selling products. Furthermore, we have launched several initiatives to lower our value-chain emissions and transition to a diversified energy mix, which includes providing comprehensive training on Sustainable Procurement practices.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

To further minimise our ecological impact, Aarti Drugs Limited has implemented the following internal measures:

a) **Water Pollution Control:** The majority of our manufacturing facilities function as Zero Liquid Discharge (ZLD) plants. For any units linked to a Common Effluent Treatment Plant (CETP), we strictly comply with the effluent discharge limits established by the Pollution Control Board.

b) **Air Quality Management:** Emission stacks are fitted with scrubbers at key locations, and an Online Continuous Monitoring System (OCMS) is actively utilised across our sites to track air emissions.

c) **Land Pollution Prevention:** We ensure that all hazardous waste is transferred exclusively to authorised waste management agencies for secure and compliant disposal.

d) **Packaging Waste Treatment:** We have developed specialised on-site infrastructure to properly decontaminate all packaging materials prior to their final disposal.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

In the current reporting cycle, we completed Environmental, Health, and Safety (EHS) evaluations for 24 key supply chain partners. To further elevate EHS standards across our vendor network, we are actively advancing the following initiatives:

- Ongoing supplier EHS assessments
- Vendor training programmes focusing on sustainable procurement and ISO compliance
- Structured vendor EHS audits
- Tracking and mapping the carbon footprint of our supply chain

8. How many Green Credits have been generated or procured:

a. By the Company

NIL

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners"

NIL

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.

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.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Indian Chambers of commerce and Industry (FICCI)	National
2.	Indian Institute of Chemical Engineering (IIChE)	National
3.	PHARMEXCIL -Pharmaceuticals Export Promotion Council	National
4.	CHEMEXCIL – Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council	National
5.	Federation of Indian Export Organisation	National
6.	Indian Merchants Chamber (IMC)	National
7.	Bombay Chamber of Commerce	State
8.	Vapi Industrial Association	State
9.	Tarapur Industrial Manufacturers Association (TIMA), Maharashtra India	State

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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.

Not applicable. No such orders received from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
NIL	NIL	NIL

Leadership Indicator

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others–please specify)	Web Link, if available
	NIL	NIL	NIL	NIL	NIL

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.

As per the applicable laws, none of the projects undertaken by the Company during FY 2025-26 fall within the scope of projects requiring a Social Impact Assessment (SIA). Accordingly, no SIA was conducted during the reporting period.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL	NIL	NIL	NIL	NIL	NIL

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable, as the Company has not undertaken any project during FY 2025-26 that required Resettlement and Rehabilitation (R&R) measures.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
	NIL	NIL	NIL	NIL	NIL	NIL

3. Describe the mechanisms to receive and redress grievances of the community.

The Company regularly engages with local communities to understand their concerns, issues and grievances. Grievances may be raised in written or verbal form, including in local languages, through various channels such as email, telephone or written communication.

Each grievance received is acknowledged, and the complainant is informed about the subsequent course of action. Grievances involving significant or high-severity concerns are appropriately escalated to senior management for review. The concerned department investigates the grievance and communicates the proposed resolution or appropriate course of action to the complainant, thereby ensuring timely and transparent redressal.

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	21.94%	8.52%
Directly from within India	24.31%	32.54%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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	-	-
Semi-urban	89.49%	89.38%
Urban	-	-
Metropolitan	10.51%	10.62%

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicator

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):

Not Applicable

Details of negative social impact identified	Corrective action taken
NIL	NIL

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
	NIL	NIL	NIL

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) - No

(b) From which marginalised /vulnerable groups do you procure? N.A.

(c) What percentage of total procurement (by value) does it constitute? N.A.

The Company follows a fair, transparent and objective approach in the selection and procurement of suppliers, guided by its Procurement Policy, Supplier Code of Conduct and Supply Chain Management Sustainability Policy.

The status of a supplier as a marginalised or vulnerable group is not presently considered as a specific criterion in the supplier selection process. Given the nature of the Company's business, procurement from established and qualified manufacturers and suppliers is essential to ensure compliance with applicable quality, safety and regulatory requirements and to maintain the suitability and safety of the Company's products.

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:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NIL	NIL	NIL	NIL	NIL

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

Name of authority	Brief of the Case	Corrective action taken
NA	NA	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

6. Details of beneficiaries of CSR Projects:

SR. no.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
	Education and Skill Development	15000+	100%
	Healthcare initiatives	12000+	100%
	Public Infrastructure	10000+	100%
	Environment and Water conservation	10000+	100%
	Housing Aid	10000+	100%
	Support to the weaker section of the society		
	Tribal and Rural Development		

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.

We regularly interact with the customers to understand their needs and to effectively address and resolve their complaints. The Company's dedicated marketing team serves as the primary point of contact for these complaints. Further, Meetings are conducted at least once in a year with key customers and regular feedbacks are encouraged by other customers through emails.

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	100%
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Others	3	0	-	3	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	N.A.
Forced recalls	Nil	N.A.

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. The Company has adopted "Information Security Policy" to ensure data integrity and confidentiality. Further, Company's Code of Conduct covers the aspect regarding Data Privacy to protect sensitive information and maintain data confidentiality.

For more details, kindly refer;

Code of conduct: https://www.aartidrugs.com/corporate-governance-code-of-conduct

Information Security Policy: https://www.aartidrugs.com/sustainability-policies

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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.

We have not received any penalty and no action has been taken by regulatory authorities on safety of products during FY 2025-26.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches: NIL

b. Percentage of data breaches involving personally identifiable information of customers: Not Applicable

c. Impact, if any, of the data breaches: Not Applicable

Leadership Indicator

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The details of our products and services are disclosed on the website of the Company at the weblink: https://www.aartidrugs.com/.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company adheres to relevant regulatory requirements by disclosing all the necessary information to its stakeholders including safe and responsible usage of products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We have procedures to ensure timely communication with customers in the event of any potential disruption or discontinuation of essential services or product supplies. The Company maintains regular engagement with customers to keep them informed about business continuity and product supply. In case of any potential disruption of supplies the customers and relevant stakeholders are informed well in advance through appropriate communication channels, including email to ensure seamless operation. The communication also covers the expected impact, mitigation measures and relevant actions being undertaken by the Company to minimise disruption and ensure continuity of supply.

4. 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. The Company provides all information relating to its products and services as required under applicable laws and regulatory requirements. The Company also regularly engages with customers to understand their requirements, expectations and feedback. Meetings are conducted with key customers at least once a year, while feedback from other customers is encouraged through emails and other appropriate communication channels.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AARTI DRUGS LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of **Aarti Drugs Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss (including the statement on 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 financial statements (including 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 31 March 2026 and its profit, and 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 ("SA"s) 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	**Direct and Indirect Tax receivables and contingent liabilities pertaining to tax matters under dispute.** The Company has reflected ₹ 5,827.01 lakhs as demand in respect of additional Excise, Customs Duty, Service Tax, GST etc. as on 31 March 2026 (₹ 4,655.10 lakhs as on 31 March 2025). Further, the Company is reflecting demand from Income Tax Department disputed in appeal to the tune of ₹ 9,242.66 lakhs on 31 March 2026 (₹ 9,238.24 lakhs as on 31 March 2025). Contingent liabilities as defined in Ind AS 37 require assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgement by the management. The ultimate recoverability of receivables is based on outcome of those proceedings and require inputs from subject specialists, management judgement and therefore required significant audit attention. Refer Note 30: Contingent Liabilities and Commitments in Notes to the standalone financial statements.	**Principle audit procedures, performed by us: -** We have carried out the validation of the information provided by the management by performing the following procedures: a) Evaluating the reasonableness of the underlying assumptions. b) Examining the relevant orders and supporting documents on record. c) Relying on relevant external evidence available including applicable judicial pronouncements and industry practices. d) Getting representations from the management wherever necessary.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Key Audit Matter	Auditor's Response
2	**Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment.** The carrying value of property, plant and equipment (including capital work in progress) as on 31 March 2026 of ₹ 97,030.86 Lakhs (as on 31 March 2025 of ₹ 75,957.06 Lakhs) includes ₹ 26,578.69 Lakhs capitalised/ transferred from capital work in progress during the year (₹ 8,581.35 Lakhs for FY 2024-25). Cost Recognition of Property, Plant and Equipment as specified in IndAS 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 1: Property, Plant and Equipment in Notes to the standalone financial statements.	**Principle audit procedures, performed by us: -** Our audit procedures, amongst others, include the following - a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure. b) We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment with reference to Indian Accounting Standard 16: Property, Plant and Equipment. c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment. d) We have visited the Green-Field Project being capitalised by the Company during the year to understand the Company's Plan, Status of capitalisation and verified the relevant documents and licences. e) We have relied upon the observations of internal auditors of physical verification of Property, Plant and Equipment. f) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs. g) Ensuring adequacy of disclosures in the standalone financial statements. We have relied upon management assessment about capex project being ready for its intended use and hence capitalisation of the same.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors are 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 to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information to the extent made available for our verification as on the date and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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

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

AUDITORS' 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 scepticism throughout the audit. We also:

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

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 Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 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 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting 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.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note no. 30 to the standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There 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. 47(g) 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. 46(i) 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;

      (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 no 11.6 to the standalone financial statements

      (a) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

      (b) The Company has not proposed final dividend in the previous year; hence Section 123 of the Act, is not applicable in this regard.

      vi. Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023.

      Based on our examination which included test checks, the Company has used accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility. However, in the absence of any control report showing operations of audit trail feature throughout the year, we are unable to comment on the same. Further, the feature of recording audit trail was not enabled at the application layer of the accounting software used for maintaining general ledgers for master fields and database level to log any direct changes for the accounting software used for maintaining the books of accounts.

      In addition, in the absence of any control reports showing the records of any instances of tampering of the audit trail feature and preservation of such audit trail (edit logs) as mentioned above, we are unable to comment whether the audit trail feature has been tampered with and whether the same has been preserved.

For Gokhale & Sathe,
Chartered Accountants,
ICAI Firm Registration No: - 103264W

Ravindra More
Partner
ICAI Membership No. 153666
UDIN: - 26153666UKJAPH9974

Date: - 15 May 2026
Place: - Mumbai

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 DRUGS 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 of 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 once in 3 years. 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 the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds of self-constructed buildings and title deeds of all immovable properties (other than properties where the Company is lessee and lease agreements are duly executed in favour of the Company), 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. In respect of immovable properties of land that have been taken on lease and disclosed separately in Property, Plant & Equipment in the financial statements, the lease agreements are in the name of the Company except the below:

Description of Property	Gross Carrying Value (₹ 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
Leasehold Land E-106	0.74	Effective chemicals Pvt Ltd.	No	26/02/1988	Leasehold lands are in the name of erstwhile entities, which were merged with the company through the court scheme, leasehold rights are deemed to be transferred to the company.
Leasehold Land S-34	1.87	Star Aluminium Industries	No	06/11/1992	
Leasehold Land S-33	1.71	Avez Wire Industries Pvt Ltd.	No	11/06/1993	
Leasehold Land E-105	0.80	Rupal Chemicals Pvt. Ltd.	No	27/06/1986	

(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 as at 31 March 2026 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.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets; As mentioned in note no. 17 to the standalone financial statements, there are no difference between quarterly returns filed by the Company with banks / financial institutions and books of accounts.

iii. (a) During the year, the Company has made investments in its subsidiary and in another company and has provided a Standby Letter of Credit (SBLC) in respect of the obligations of its subsidiary. The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, other than loans granted to employees in accordance with the terms of their employment, hence sub-clauses 3 (iii) (c), (d), (e) & (f) of the Order are not applicable.

Particulars	Aggregate amount of Guarantee / Security given during the year (₹ in Lakhs)	Balance outstanding as on 31 March 2026 (₹ in Lakhs)
Guarantee / Security to Subsidiary Company	9748.95	9748.95

Note: The aforesaid amount represents the SBLC provided by the Company in respect of the obligations of its subsidiary.

(b) Based on the audit procedures performed and according to the information and explanations given to us, in our opinion, the terms and conditions of the investments made during the year, including investments in equity shares of subsidiaries and investments in debentures of other entities, and the Standby Letter of Credit (SBLC) provided in respect of the obligations of the subsidiary, are not prejudicial to the Company's interest.

iv. In our opinion and according to the information and explanations given to us, the provisions of Section 185 of the Companies Act, 2013 are not applicable to the Company. Further, the Company has not granted any loans, provided any guarantees or security during the year. In respect of Section 186 of the Companies Act, 2013, the Company has complied with the applicable provisions of the said section in respect of the investments made during the year.

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 provision of section 73 to 76 any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards 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 based on our examination of the records of the Company, undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Services Tax, Customs Duty and other material statutory dues, have generally been regularly deposited during the year by the Company with the appropriate authorities. 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, particulars of Income Tax, Goods & Service 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 are as under:

Nature of Statute	Nature of Dues	Period for which amount relates	Forum where Dispute is pending	₹ in Lakhs
The Customs Act, 1962	Custom Duty	FY 2012-13	CESTAT, Ahmedabad	38.88
Finance Act, 1994	Service Tax	FY 2007-08 to FY 2011-12	CESTAT, Mumbai	268.82
Central Excise Act, 1944	Excise Duty	FY 2010-11	Honourable High Court, Mumbai	11.29
Central Excise Act, 1944 and Goods and Service Tax Act, 2016	Cenvat Credit	FY 2019-20	GST & Central Excise Commissioner (A)	2.91

ANNEXURE 'A' (CONTD.)

Nature of Statute	Nature of Dues	Period for which amount relates	Forum where Dispute is pending	₹ in Lakhs
Central Excise Act, 1944	Cenvat Credit	FY 2007-08	CESTAT, Mumbai	8.90
Goods and Service Tax Act, 2016	GST	FY 2017-18 to FY 2021-22	Honourable Supreme Court, New Delhi	4,143.74
Goods and Service Tax Act, 2016	GST	FY 2018-19	GST & Central Excise Commissioner (A), Palghar	180.56
Goods and Service Tax Act, 2016	GST	FY 2019-20 to FY 2021-22	GST & Central Excise Commissioner (A)	93.93
Goods and Service Tax Act, 2016	GST	FY 2018-19 to FY 2019-20	Honourable High Court, Mumbai	538.56
Goods and Service Tax Act, 2016	GST	FY 2018-19 to FY 2019-20	Assistant Commissioner of State Tax	539.42
Income Tax Act, 1961	Income Tax Dues	FY 2004-05 & FY 2011-12	Honourable High Court, Mumbai	455.53
Income Tax Act, 1961	Income Tax Dues	FY 2009-10 to FY 2019-20	ITAT, Mumbai	8,782.71
Income Tax Act, 1961	Income Tax Dues	FY 2022-23	CIT (Appeals)	4.42

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 (43 of 1961).

ix. (a) The Company has not defaulted in repayment of dues or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanation given to us and the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

(c) In our opinion and according to 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, except the fact that the Company has issued Standby Letter of Credit on behalf of subsidiary company - Pinnacle Chile SpA– Refer to clause [(iii)(a)] of this report.

(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 not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) According to the information and explanations given to us, no material fraud by the Company and no material fraud 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 Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto 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.

ANNEXURE 'A' (CONTD.)

xiii. In our opinion and on the basis of our examination of the information and documentation available to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion and on the basis of explanation / information provided by 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 provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and 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 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 Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Gokhale & Sathe,
Chartered Accountants,
ICAI Firm Registration No: - 103264W

Ravindra More
Partner
ICAI Membership No. 153666
UDIN: - 26153666UKJAPH9974

Date: - 15 May 2026
Place: - Mumbai

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 2(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF AARTI DRUGS LIMITED OF EVEN DATE)

Report on the Internal Financial Controls under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

OPINION

We have audited the internal financial controls with reference to standalone financial statements of **Aarti Drugs Limited** (the "Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 31 March 2026, based on the criteria for internal financial control over financial reporting 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.

MANAGEMENTS' 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 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.

AUDITORS' 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 was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 over financial reporting 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 over financial reporting includes those policies and procedures that

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control 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,
ICAI Firm Registration No: - 103264W

Ravindra More
Partner
ICAI Membership No. 153666
UDIN: - 26153666UKJAPH9974

Date: - 15 May 2026
Place: - Mumbai

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2026

CIN :L37060MH1984PLC055433

(₹ in lakhs)

Particulars	Note No	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	1	97,030.86	75,957.06
Right of use Assets	1.2	95.11	154.69
Capital Work - in - Progress	1.3	10,619.82	27,340.21
Intangible Assets	1.4	7.96	11.53
Financial Assets			
(i) Investments	2	7,229.54	4,239.69
Other Non- Current Assets	3	1,900.90	1,520.15
Total Non- Current Assets		**1,16,884.19**	**1,09,223.33**
Current Assets			
Inventories	4	40,534.81	40,723.37
Financial Assets			
(i) Trade Receivable	5	73,241.23	70,172.11
(ii) Cash and Cash Equivalents	6	357.18	328.05
(iii) Bank Balances Other than (ii) above	7	112.90	129.43
(iv) Loan	8	16.55	12.65
(v) Other Financial Assets	9	1,545.06	1,503.42
Current Tax Assets (Net)	21.1	-	1,151.42
Other Current Assets	10	5,468.06	4,035.25
Total Current Assets		**1,21,275.79**	**1,18,055.70**
TOTAL ASSETS		**2,38,159.98**	**2,27,279.03**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	9,127.00	9,127.00
Other Equity	12	1,31,352.08	1,16,008.11
Total Equity		**1,40,479.08**	**1,25,135.11**
Liabilities			
Non- Current Liabilities			
Financial Liabilities			
(i) Borrowings	13	18,169.50	23,794.50
(ii) Lease Liabilities		48.12	84.97
(iii) Other Financial Liabilities	14	1.25	16.01
Provisions	15	352.83	344.04
Deferred Tax Liabilities (Net)	16	7,845.80	7,325.79
Total of Non- Current Liabilities		**26,417.49**	**31,565.31**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	17	23,826.90	27,596.75
(ii) Lease Liabilities		52.44	80.91
(iii) Trade payables	18		
(a) Total outstanding dues of micro and small enterprises		2,354.27	729.54
(b) Total outstanding dues of other than micro and small enterprises		38,977.39	36,581.46
(iv) Other Financial Liabilities	19	1,642.99	1,977.10
Other Current Liabilities	20	3,563.50	3,292.55
Provisions	21	275.18	320.28
Current Tax Liabilities (Net)	21.1	570.73	-
Total Current Liabilities		**71,263.42**	**70,578.60**
TOTAL EQUITY AND LIABILITIES		**2,38,159.98**	**2,27,279.03**
Summary of Material Accounting Policies and Other Explanatory Information	**29-48**		

AS PER OUR REPORT OF EVEN DATE.
For GOKHALE & SATHE
Chartered Accountants
Firm Registration No.: 103264W

Sd/-
CA Ravindra More
(Partner)
Membership No. 153666

Place: Mumbai
Date: May 15, 2026

For and on Behalf of the Board of Directors of Aarti Drugs Limited

Sd/-
Prakash M. Patil
(Chairman, Managing Director & CEO)
DIN: 00005618

Sd/-
Harshit M. Savla
(Jt. Managing Director)
DIN: 00005340

Sd/-
Adhish P Patil
(Chief Financial Officer)

Sd/-
CS Rushikesh Deole
(Company Secretary)
ICSI M.NO.F12932

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2026

CIN :L37060MH1984PLC055433

(₹ in lakhs)

Particulars		Note No	Year Ended March 31, 2026	Year Ended March 31, 2025
I	**Revenue from Operations**	22	2,26,038.50	2,17,365.49
II	Other Income	23	259.35	1,357.10
III	**Total Income (I + II)**		**2,26,297.85**	**2,18,722.59**
IV	**Expenses:**			
	(a) Cost of materials consumed	24	1,40,184.71	1,35,387.55
	(b) Purchase of Stock-in-Trade		4,550.84	4,434.20
	(c) Changes in inventories of finished goods,work-in-progress and Stock- in - Trade	24.1	662.33	2,199.64
	(d) Employee Benefits Expense	25	9,627.34	8,525.25
	(e) Finance Cost (Interest)	26	2,637.69	2,967.84
	(f) Depreciation and Amortisation Expense	27	5,564.03	4,778.90
	(g) Other Expenses	28	44,940.40	40,553.80
	Total expenses (IV)		**2,08,167.33**	**1,98,847.17**
V	**Profit before exceptional items and tax (III - IV)**		**18,130.52**	**19,875.43**
VI	Exceptional Items		-	-
VII	Profit/(Loss) Before Tax (V - VI)		18,130.52	19,875.43
VIII	**Tax Expenses:**			
	Provision for Taxation - Current Year		3,850.00	4,825.00
	- Earlier Year		(3,126.95)	(1,031.06)
	Provision for Deferred Tax		485.40	350.00
	Total Tax Expenses (VIII)		**1,208.45**	**4,143.94**
IX	**Profit / (Loss) for the Year (VII - VIII)**		**16,922.07**	**15,731.49**
X	**Other Comprehensive Income**			
	Item that will not to be reclassified to statement of Profit and Loss			
	Fair value changes on Investments		334.42	243.86
	Remeasurement of defined benefit Liability/Assets		(52.53)	(128.43)
	Income tax relating to items that will not be reclassified to profit or loss			
	Fair value changes on Investments		(47.82)	(34.87)
	Remeasurement of defined benefit Liability/Assets		13.22	32.32
	Total Other Comprehensive Income,net		**247.29**	**112.88**
XI	**Total Comprehensive Income for the Year (IX+X)**		**17,169.36**	**15,844.37**
	Earnings per Equity Shares (EPS) (In `)	**29**		
	Basic		18.54	17.18
	Diluted		18.54	17.18
	Summary of Material Accounting Policies and Other Explanatory Information	**29-48**		

AS PER OUR REPORT OF EVEN DATE.
For GOKHALE & SATHE
Chartered Accountants
Firm Registration No.: 103264W

Sd/-
CA Ravindra More
(Partner)
Membership No. 153666

Place: Mumbai
Date: May 15, 2026

For and on Behalf of the Board of Directors of Aarti Drugs Limited

Sd/-
Prakash M. Patil
(Chairman, Managing Director & CEO)
DIN: 00005618

Sd/-
Adhish P Patil
(Chief Financial Officer)

Sd/-
Harshit M. Savla
(Jt. Managing Director)
DIN: 00005340

Sd/-
CS Rushikesh Deole
(Company Secretary)
ICSI M.NO.F12932

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE TEAR ENDED MARCH 31, 2026

CIN :L37060MH1984PLC055433

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 01, 2025	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2025	Changes in equity share During Current Year	Balance as at March 31, 2026
9,127.00	-	-	-	9,127.00

(₹ in lakhs)

Balance as at April 01, 2024	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2024	Changes in equity share During Current Year	Balance as at March 31, 2025
9,193.50	-	-	(66.50)	9,127.00

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Other Equity				Other Comprehensive Income	Total Other Equity
	Reserve and Surplus					
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as on April 01, 2024	**200.74**	**428.48**	**1,489.04**	**1,05,231.02**	**977.96**	**1,08,327.25**
Transfer to General Reserve from Retained Earning	-	-	1,573.15	(1,573.15)	-	-
Profit for the Year	-	-	-	15,731.49	-	15,731.49
Dividend Paid	-	-	-	(912.70)	-	(912.70)
Buyback of shares	-	66.50	(1,489.04)	(4,495.96)	-	(5,918.50)
Buyback Tax	-	-	-	(1,332.30)	-	(1,332.30)
Fair value change on Investment, net	-	-	-	-	208.99	208.99
Remeasurment of defined benefit Liability/Assets, net	-	-	-	-	(96.11)	(96.11)
Balance as at March 31, 2025	**200.74**	**494.98**	**1,573.15**	**1,12,648.40**	**1,090.84**	**1,16,008.11**
Transfer to General Reserve from Retained Earning	-	-	1,692.21	(1,692.21)	-	-
Profit for the Year	-	-	-	16,922.07	-	16,922.07
Dividend Paid	-	-	-	(1,825.40)	-	(1,825.40)
Fair value change on Investment, net	-	-	-	-	286.60	286.60
Remeasurment of defined benefit Liability/Assets, net	-	-	-	-	(39.31)	(39.31)
Balance as at March 31, 2026	**200.74**	**494.98**	**3,265.36**	**1,26,052.87**	**1,338.13**	**1,31,352.08**

Summary of Material Accounting Policies and Other Explanatory Information **29-48**

AS PER OUR REPORT OF EVEN DATE.
For GOKHALE & SATHE
Chartered Accountants
Firm Registration No.: 103264W

Sd/-
CA Ravindra More
(Partner)
Membership No. 153666

Place: Mumbai
Date: May 15, 2026

For and on Behalf of the Board of Directors of Aarti Drugs Limited

Sd/-
Prakash M. Patil
(Chairman, Managing Director & CEO)
DIN: 00005618

Sd/-
Harshit M. Savla
(Jt. Managing Director)
DIN: 00005340

Sd/-
Adhish P Patil
(Chief Financial Officer)

Sd/-
CS Rushikesh Deole
(Company Secretary)
ICSI M.NO.F12932

STANDALONE CASH FLOW STATEMENT

FOR THE TEAR ENDED MARCH 31, 2026

CIN :L37060MH1984PLC055433

(₹ in lakhs)

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
A.	**Cash Flow from Operating Activities**		
	Net Profit before Tax and Exceptional Items	18,130.52	19,875.43
	ADJUSTMENT FOR:		
	Depreciation & Amortisation	5,564.03	4,778.90
	Provision for Doubtful debts /Bad debts	366.12	342.55
	Unrealised Foreign Exchange (Gain)/Loss (Net)	47.10	31.15
	Interest Paid	2,637.69	2,967.84
	Interest Received	(109.14)	(1,204.32)
	(Gain)/Loss on Sale of Mutual fund	(2.34)	(27.06)
	Dividend Received	(0.05)	(1.11)
	Capex w/off	-	123.17
	Profit on Sale of Assets	(1.42)	(3.04)
	Operating Profit before Working Capital Changes	**26,632.51**	**26,883.52**
	(Increase) / Decrease in trade and other receivables	(4,897.06)	(2,541.90)
	(Increase) / Decrease in inventories	188.56	3,453.48
	(Increase) / Decrease in Trade & Other Payable	2,491.28	(592.17)
	Cash generated from operation	**24,415.29**	**27,202.93**
	Direct Taxes (Paid) / Refund Received	999.11	(5,195.26)
	Net Cash Flow from Operating Activities	**25,414.40**	**22,007.67**
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets / Capital Work in Progress/ Advances/R&D	(10,239.05)	(13,728.81)
	Sale of PPE	24.61	4.80
	Investments in Subsidiaries	(2,500.00)	(1,000.00)
	Investments in others	(155.43)	-
	Gain / (Loss) on Sale of Mutual fund	2.34	27.06
	Interest Received	109.14	1,204.32
	Dividend Received	0.05	1.11
	Net Cash Flow from Investing Activities	**(12,758.34)**	**(13,491.53)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Long Term Borrowings	-	5,000.00
	Repayment of Long Term Borrowings	(4,551.86)	(6,635.08)
	Proceeds/(Repayment) from Short Term Borrowings	(3,798.32)	4,123.19
	Buy Back of shares	-	(5,985.00)
	Buyback Tax Paid	-	(1,332.30)
	Dividend Paid	(1,817.11)	(906.06)
	Interest Paid	(2,459.64)	(2,724.61)
	Net Cash Flow from Financing Activities	**(12,626.93)**	**(8,459.87)**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**29.13**	**56.27**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Cash and Cash Equivalents	**328.05**	**271.78**
Closing Cash and Cash Equivalents	**357.18**	**328.05**
Reconciliations of Cash and Cash Equivalents		
Balance with Banks	76.37	19.07
Cash in Hand	23.56	19.06
Cheques in Hand	257.24	289.92
Balance as per Cash Flows Statement (Note no:6)	**357.18**	**328.05**

Notes:

(i) Figures in brackets indicate outflows.

(ii) Fixed Deposits with bank amounting to **₹ 47.67** lakhs (previous year ₹ 72.49 lakhs) under lien are considered as Bank Balances Other than above.(Refer note no:7)

(iii) Previous year figures have been regrouped/ rearranged/reclassified to confirm to the current years presentation wherever necessary.

(iv) The above statement of Cash Flow be read in conjunction with the accompanying notes.(Refer Note No:29-48)

(v) The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.

AS PER OUR REPORT OF EVEN DATE.
For GOKHALE & SATHE
Chartered Accountants
Firm Registration No.: 103264W

Sd/-
CA Ravindra More
(Partner)
Membership No. 153666

Place: Mumbai
Date: May 15, 2026

For and on Behalf of the Board of Directors of Aarti Drugs Limited

Sd/-
Prakash M. Patil
(Chairman, Managing Director & CEO)
DIN: 00005618

Sd/-
Adhish P Patil
(Chief Financial Officer)

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Harshit M. Savla
(Jt. Managing Director)
DIN: 00005340

Sd/-
CS Rushikesh Deole
(Company Secretary)
ICSI M.NO.F12932

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

NOTE NO. 1- PROPERTY, PLANT AND EQUIPMENTS

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on April 01,2025	Additions	Deductions	As on March 31, 2026	As on April 01, 2025	Additions	Deductions	As on March 31, 2026	As on March 31, 2026	As on March 31, 2025
TANGIBLES ASSETS										
BUILDING	21,142.40	5,425.99	-	26,568.39	7,011.23	773.74	-	7,784.96	18,783.42	14,131.17
	-	-	-	-	-	-	-	-	-	
FURNITURE	1,006.14	25.71	-	1,031.85	861.78	26.58	-	888.36	143.49	144.36
	-	-	-	-	-	-	-	-	-	
LAND	8,996.35	-	-	8,996.35	200.87	101.36	-	302.22	8,694.13	8,795.48
	-	-	-	-	-	-	-	-	-	
OFFICE EQUIPMENTS	311.94	24.81	-	336.75	248.84	16.97	-	265.81	70.94	63.11
	-	-	-	-	-	-	-	-	-	
PLANT & MACHINERY	1,03,653.18	20,930.77	-	1,24,583.95	51,073.20	4,490.37	-	55,563.57	69,020.38	52,579.98
	-	-	-	-	-	-	-	-	-	
VEHICLES	672.75	171.41	94.11	750.06	429.80	72.67	70.92	431.55	318.50	242.96
		-	-							
TOTAL	**1,35,782.76**	**26,578.69**	**94.11**	**1,62,267.35**	**59,825.71**	**5,481.69**	**70.92**	**65,236.48**	**97,030.86**	**75,957.06**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on April 01,2024	Additions	Deductions	As on March 31, 2025	As on April 01, 2024	Additions	Deductions	As on March 31, 2025	As on March 31, 2025	As on March 31, 2024
TANGIBLES ASSETS										
BUILDING	19,692.48	1,449.92	-	21,142.40	6,365.47	645.76	-	7,011.23	14,131.17	13,327.01
FURNITURE	961.14	45.00	-	1,006.14	832.89	28.89	-	861.78	144.36	128.25
LAND	8,891.91	104.44	-	8,996.35	100.30	100.56	-	200.87	8,795.48	8,791.61
OFFICE EQUIPMENTS	264.98	46.96	-	311.94	240.77	8.07	-	248.84	63.11	24.22
PLANT & MACHINERY	96,809.67	6,888.75	45.24	1,03,653.18	47,307.22	3,808.96	42.98	51,073.20	52,579.98	49,502.45
VEHICLES	663.61	46.28	37.14	672.75	404.03	62.05	36.28	429.80	242.96	259.58
TOTAL	**1,27,283.79**	**8,581.35**	**82.38**	**1,35,782.76**	**55,250.68**	**4,654.29**	**79.25**	**59,825.71**	**75,957.06**	**72,033.12**

Note:

1. Plant & Machinery addition includes Capital Expenditure incurred on R & D of **₹ 140.33 lakhs** (previous year ₹ 214.43 lakhs).
2. Borrowing cost is capitalised during the year of **₹ 659.05 lakhs** (Previous Year ₹ 1177.29 lakhs).
3. Property, Plant and Equipment pledged as Security – Refer Note No. 38(ai) for information on Property, Plant and Equipment pledged as security.
4. The Compnay has not revalued its Property,Plant and Equipment during year.
5. Refer Note No: 31 for R& D Capital Expenditures.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO. 1.1 - DETAILS OF TITLE DEED NOT HELD IN THE NAME OF COMPANY

Particulars	Description of item of property	Gross carrying value (₹ in lakhs)	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
Property Plant and Equipments	Land - E 106	0.74	Effective Chemical Pvt Ltd	No	February 26, 1988
Property Plant and Equipments	Land - E 105	0.80	Rupal Chemicals	No	June 27, 1986
Property Plant and Equipments	Land - S 34	1.87	Star Aluminium Industries	No	November 06, 1992
Property Plant and Equipments	Land - S 33	1.71	Avez Wire Industries Pvt Ltd.	No	June 11, 1993

Reason for not being held in the name of Company: Leaseholds land are in the name of erstwhile entities, which were merged with the Company through the court scheme. Leasehold rights are deemed to be transferred to the Company.

NOTE NO. 1.2 - RIGHT OF USE ASSETS/LEASE LIABILITY

Changes in the carrying value of right of use assets (Plant & Machinery)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	154.69	175.05
Additions during the year	19.18	94.66
Amortisation	(78.76)	(115.02)
Closing Balance	**95.11**	**154.69**

Note:

1. The Company has not revalued its Right-of-use assets.
2. Weighted average incremental borrowing rate @9.50%p.a.has been applied for calculation of lease liability.

Movement in lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	165.88	186.35
Finance cost accrued during the year	19.18	120.50
Payment of lease liabilities	(84.51)	(140.97)
Closing Balance	**100.56**	**165.88**

Break Up of current and Non current lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	52.44	80.91
Non- current lease liabilities	48.12	84.97
Total	**100.56**	**165.88**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

Particulars	Amount in Movement in lease liabilities		Total
	Less than 1yr	1-5 yrs	
As at March 31, 2026			
Current lease liabilities	52.44	-	52.44
Non- current lease liabilities	-	48.12	48.12
Total	**52.44**	**48.12**	**100.56**
As at March 31, 2025			
Current lease liabilities	80.91	-	80.91
Non- current lease liabilities	-	84.97	84.97
Total	**80.91**	**84.97**	**165.88**

The following is a summary of future minimum lease rental commitments towards finance leases

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Minimum lease commitments	Present value of minimum lease commitments	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	59.84	52.44	93.55	81.07
Due in a period between one year and five years	57.92	48.12	95.11	84.81
Total minimum lease commitments	**117.76**	**100.56**	**188.67**	**165.89**
Less: interest	(17.20)		(22.79)	
Present value of minimum lease commitments	**100.56**		**165.88**	

NOTE NO. 1.3 - CAPITAL WORK IN PROGRESS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	27,340.21	22,162.46
Capitalised	(27,244.96)	(8,561.31)
Additions during the year	10,524.56	13,739.06
Closing Balance	**10,619.82**	**27,340.21**

CWIP Ageing Schedule:

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1yr	1-2 yrs	2-3 yrs	More than 3 yrs	
As at March 31, 2026					
Project in progress:	6,219.57	2,821.22	200.33	1,378.69	10,619.82
Projects Temporarily Suspended:	-	-	-	-	-
Total	**6,219.57**	**2,821.22**	**200.33**	**1,378.69**	**10,619.82**
As at March 31, 2025					
Project in progress:	10,701.87	9,257.29	5,539.27	1,841.78	27,340.21
Projects Temporarily Suspended:	-	-	-	-	-
Total	**10,701.87**	**9,257.29**	**5,539.27**	**1,841.78**	**27,340.21**

Note:

1. There is no CWIP which has exceeded the approved budget or initial plan.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO.1.4: INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
COMPUTER SOFTWARE		
Opening Balance	11.53	21.13
Additions during the year	-	-
Amortisation	(3.58)	(9.60)
Closing Balance	**7.96**	**11.53**

Note:

1. There are no intangible assets under development.
2. The Compnay has not revalued its Intangible assets during year.

NOTE NO 2 - NON CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	No. of Shares/ Units	Face Value	As at March 31, 2026 (₹ in lakhs)	No. of Shares/ Units	Face Value	As at March 31, 2025 (₹ in lakhs)
Investments - (Unquoted) in Equity						
Shares of Subsidiary Companies (Valued at Cost)						
Pinnacle Life Sciance Pvt Ltd	80,60,875	10/-	4,148.56	79,82,750	10/-	1,648.56
Aarti Speciality Chemicals Limited	4,20,000	10/-	**42.00**	4,20,000	10/-	42.00
Pinnacle Chile SpA (Chilean Company)*	94,723	*3500/-	**308.35**	94,723.00	*3500/-	308.35
Investments - (Unquoted) in Equity Shares of Other Companies (Valued at FVTOCI)						
Perfect Enviro Control Systems Ltd.	2,40,200	10/-	21.51	2,40,200	10/-	20.49
The Shamrao Vitthal Co- op Bank Ltd.	100	25/-	0.03	100	25/-	0.03
The Saraswat Co - op Bank Ltd.	10,100	10/-	1.01	10,100	10/-	1.01
Tarapur Environment Protection Society	68,188	100/-	89.40	68,188	100/-	89.73
Pro-Zeal Green Power Nine Pvt Ltd	63,000	10/-	6.30	-	-	-
Pro-Zeal Green Power Six Pvt Ltd	63,000	10/-	6.30	-	-	-
Aarti Biotech Ltd.	1,200	10/-	0.04	1,200	10/-	0.04
Huanggang Yinhe Aarti Pharmaceutical Co. Ltd.#	234	**10000/-	2,463.21	234	**10000/-	2,129.48
Investment- Debenture						
Pro-Zeal Green Power Six Pvt Ltd	14,283	1000/-	142.83	-	-	-
TOTAL			**7,229.54**			**4,239.69**
Aggregate amount of unquoted investments			**7,229.54**			**4,239.69**

*Face Value of 1 share = 3500 CLP

**Face Value of 1 share = 10000 RMB

#Although Company held more than 20% of the voting shares, but does not exercise significant influence over the investee and does not possess any contractual or other rights conferring significant influence as defined under Ind AS 28. Accordingly, the investment has not been Classified as an associate.

Note:

1. During the year FY 2024-25 Pinnacle Life Science Private Limited, a wholly owned subsidiary of the Company, issued 2,00,000 partly paid-up equity shares through a Rights Issue at an issue price of ₹ 1,250 per equity share, comprising ₹ 10 towards face value and ₹ 1,240 towards securities premium.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

As at March 31, 2025, an amount of ₹ 500 per equity share had been paid, comprising ₹ 4 towards face value and ₹ 496 towards securities premium, and the shares remained partly paid-up.

During the financial year 2025-26, the Company paid 3 calls on these share aggregating to ₹ 750 per equity share, comprising ₹ 6 towards face value and ₹ 744 towards securities premium, in respect of the aforesaid shares. Consequently, as at March 31, 2026, the entire issue price of ₹ 1,250 per equity share (comprising ₹ 10 towards face value and ₹ 1,240 towards securities premium) stands fully paid, and these 2,00,000 equity shares are fully paid-up".

2. During FY 2025-26, Pinnacle Life Science Private Limited, wholly owned subsidiary of the Company has also issued 78,125 fully paid up Equity shares via Right Issue Offer. These shares are issued at the price of ₹ 1280 per share representing ₹ 10 towards face value and ₹ 1270 towards premium.
3. Considering all above allotment of shares, the paid-up share capital of Pinnacle Life Science Private Limited as on March 31, 2026 was ₹ 806.08 Lakhs divided into 80,60,875 Equity Shares of ₹10/- each.
4. During the year under review, the Company invested ₹ 6.30 Lakhs in the equity share capital of Pro-zeal Green Power Nine Private Limited by subscribing to 63,000 Equity Shares of ₹10 each, representing 26.25% of its total share capital, pursuant to the Share Subscription and Shareholders' Agreement entered into for developing, constructing, operating and maintaining a solar power plant for captive consumption of electricity by the factories of the Company located in Maharashtra. Further, pursuant to the aforesaid agreements, the Company is required to invest an aggregate amount of ₹ 798.90 Lakhs by way of subscription to 79,890 Compulsorily Convertible Debentures (CCDs) of face value of ₹1,000 each, in various tranches, subject to the achievement of specified milestones relating to the development of the power project.
5. During the year under review, the Company invested ₹ 6.30 Lakhs in the equity share capital of Pro-zeal Green Power Six Private Limited by subscribing to 63,000 Equity Shares of ₹10 each, representing 26.25% of its total share capital, pursuant to the Share Subscription and Shareholders' Agreement entered into for developing, constructing, operating and maintaining a solar power plant for captive consumption of electricity by the factories of the Company located in Gujarat. Further, pursuant to the aforesaid agreements, the Company is required to invest an aggregate amount of ₹ 158.70 Lakhs by way of subscription to 15,870 Compulsorily Convertible Debentures (CCDs) of face value of ₹1,000 each, in various tranches, subject to the achievement of specified milestones relating to the development of the power project. Against this commitment, as at March 31, 2026, the Company had invested ₹ 151.18 Lakhs by subscribing to 15,118 CCDs. The remaining ₹ 7.52 Lakhs will be invested upon achieving specific milestones pursuant to the aforesaid agreements.
6. The Company holds a 26% equity interest in Pro-Zeal Green Power Nine Private Limited and Pro-Zeal Green Power Six Private Limited, both of which are private companies. Despite holding more than 20% of the equity share capital, the Company does not have any representation on the board of directors, nor does it participate in financial or operating policy decisions of these investees. Further, the Company does not possess any contractual or other rights that would confer significant influence, as defined under Ind AS 28 – Investments in Associates and Joint Ventures.Accordingly, these investments have not been classified as associates. In line with the requirements of Ind AS 109 – Financial Instruments, the investments are classified as equity instruments measured at cost, given that these are unquoted shares for which fair value cannot be measured reliably

NOTE NO 3: OTHER NON- CURRENT ASSETS (₹ IN LAKHS)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered Good		
Capital Advances	1,900.90	1,520.15
TOTAL	**1,900.90**	**1,520.15**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 4: INVENTORIES (₹ IN LAKHS)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw Materials (incl.In- transit stock)	16,111.69	16,120.98
Packing Materials	217.37	180.01
Work in process	13,538.25	11,249.29
Finished Goods (incl.In- transit stock)	8,679.71	11,630.99
Stores & Spares	1,987.79	1,542.09
Stock in Trade	-	-
TOTAL	**40,534.81**	**40,723.37**

Note:

1. Mode of valuation of Inventories – Refer note 1.5 of Material Accounting Policies
2. Refer Note no. 38b for information on Inventories pledged as security by the Company

NOTE NO 5: TRADE RECEIVABLE (₹ IN LAKHS)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
- considered good	73,241.23	70,172.11
- considered doubtful	762.38	458.73
	74,003.61	70,630.84
Less: Provision for Doubtful Debts	(762.38)	(458.73)
TOTAL	**73,241.23**	**70,172.11**

Note:

1. Refer Note 37 for information about credit risk and market risk of trade receivables.
2. Refer note no. 38b for information on Trade Receivables pledged as security by the Company.
3. Above balances of trade receivables include balances with certain related parties (Refer Note No. 33h).

(₹ in lakhs)

Ageing of trade receivables	As at March 31, 2026					
Particulars	Outstanding for following periods from invoice date					
	Less than 6 m	6 m to 1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed Trade Receivable-Considered Good	71,353.36	942.02	191.84	199.26	554.74	73,241.23
Undisputed Trade Receivable-Credit impaired	36.15	7.92	3.45	5.92	624.79	678.23
Disputed Trade Receivable-Credit impaired		-	-	-	84.15	84.15
Total Trade Receivables	**71,389.51**	**949.94**	**195.29**	**205.18**	**1,263.68**	**74,003.61**
Less: Allowanace for Credit Loss	(36.15)	(7.92)	(3.45)	(5.92)	(708.94)	(762.38)
Net Trade Receivables	**71,353.36**	**942.02**	**191.84**	**199.26**	**554.74**	**73,241.23**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

Ageing of trade receivables	As at March 31, 2025					
Particulars	Outstanding for following periods from invoice date					
	Less than 6 m	6m to 1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed Trade Receivable-Considered Good	68,359.37	667.21	344.77	389.36	411.40	70,172.11
Undisputed Trade Receivable-Credit impaired	-	-	-	-	439.27	439.27
Disputed Trade Receivable-Credit impaired	-	-	-	-	19.46	19.46
Total Trade Receivables	**68,359.37**	**667.21**	**344.77**	**389.36**	**870.13**	**70,630.84**
Less: Allowanace for Credit Loss	-	-	-	-	(458.73)	(458.73)
Net Trade Receivables	**68,359.37**	**667.21**	**344.77**	**389.36**	**411.40**	**70,172.11**

NOTE NO 6: CASH AND CASH EQUIVALENTS (₹ IN LAKHS)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with Scheduled Banks:		
- Current Accounts	87.36	30.05
Less: Expected credit loss	(10.99)	(10.99)
Cheques on Hand	257.24	289.92
Cash on Hand	23.56	19.06
TOTAL	**357.18**	**328.05**

Note: There are no other repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.

NOTE NO 7: BANK BALANCES OTHER THAN ABOVE

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance in Deposit Accounts	47.67	72.49
Earmarked balance - unpaid dividend	65.23	56.94
TOTAL	**112.90**	**129.43**

Note: The amount due and outstanding to be credited to Investor Education Protection Fund during the year, is transferred by the Company within stipulated time.

NOTE NO 8: LOAN

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered Good		
Loans & Advances - Employees & others	16.55	12.65
TOTAL	**16.55**	**12.65**

Note: There are no loans which have significant increase in credit risk and which are credit impaired.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 9: OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security Deposits	1,500.11	1,456.27
Insurance claim receivable	44.95	47.15
TOTAL	**1,545.06**	**1,503.42**

NOTE NO 10: OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Advances recoverable	1,302.37	1,521.83
Prepaid Expenses	207.65	257.50
Other Recoverable	289.95	259.11
Balances with Govt.Authority	3,668.09	1,996.80
TOTAL	**5,468.06**	**4,035.25**

NOTE NO 11: EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	No. of Shares	As at March 31, 2026	No. of Shares	As at March 31, 2025
Authorised Share Capital				
Equity shares of ₹ 10/- each	12,00,00,000	12,000.00	12,00,00,000	12,000.00
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid up	9,12,70,000	9,127.00	9,12,70,000	9,127.00
		9,127.00		**9,127.00**

Note No 11.1: Right Attached to Equity Shares

The Company has only one class of equity shares with voting rights having a par value of ₹ 10/- per share. The Company declares and pays dividends in Indian Rupees. Any Interim dividend paid is recognised on the approval by the Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Note No.11.2: The details of Equity Shares outstanding during last 5 years with respect to aggregate number of shares brought back.

(₹ in lakhs)

No. of Equity shares outstanding	Financial Year				
	2025-26	2024-25	2023-24	2022-23	2021-22
Equity Shares at the beginning of the year	912.70	919.35	926.00	926.00	932.00
Buyback of Shares	-	(6.65)	(6.65)	-	(6.00)
Equity shares at the end of the year	912.70	912.70	919.35	926.00	926.00

Note No.11.3: Notes on Issued, Subscribed and Paid up Equity Share Capital

(a) During the Financial 2024-25, the Company has completed buyback of 6,65,000 equity shares of face value ₹ 10/- each at a price of ₹ 900/- per share on September 24, 2024.The number of shares post buyback stands reduced to 9,12,70,000 of ₹ 10/- each. Accordingly the paid up capital also stands reduced to ₹ 9127 lakhs.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(b) During the Financial 2023-24, the Company has completed buyback of 6,65,000 equity shares of face value ₹10/- each at a price of ₹900/- per share on August 24, 2023.The number of shares post buyback stands reduced to 9,19,35,000 of ₹ 10/- each. Accordingly the paid up capital also stands reduced to ₹9193.5 lakhs.

(c) During the Financial 2021-22, the Company has completed buyback of 6,00,000 equity shares of face value ₹ 10/- each at a price of ₹ 1000/- per share on May 25, 2021.The number of shares post buyback stands reduced to 9,26,00,000 of ₹ 10/- each. Accordingly the paid up capital also stands reduced to ₹ 9260 lakhs.

Note No 11.4: Details of shareholders holding more than 5% shares

(₹ in lakhs)

Name of the shareholders	As at March 31, 2026		As at March 31, 2025		As at March 31,2024	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Prakash M Patil		9.62	85,04,913	9.32	84,93,205	9.24
DSP Small Cap Fund		8.01	65,03,593	7.13	46,15,950	5.02

NOTE NO 11.5: DISCLOSURES OF SHAREHOLDING OF PROMOTERS

(₹ in lakhs)

Promoter Name	As at March 31, 2026		As at March 31, 2025		Change in percentage of shareholding from March 31, 2025 to March 31, 2026	As at March 31, 2024		Change in percentage of shareholding from March 31, 2024 to March 31, 2025
	No of Shares	% held	No of Shares	% held		No of Shares	% held	
Chandrakant Vallabhaji Gogri	1710097	1.87	1710097	1.87	0.00	1723444	1.87	0.00
Prakash Moreshwar Patil	8783869	9.62	8504913	9.32	0.31	8493205	9.24	0.08
Rajendra Vallabhaji Gogri	101022	0.11	101022	0.11	0.00	475089	0.52	(0.41)
Harshit Manilal Savla	4323269	4.74	4323269	4.74	0.00	4357019	4.74	0.00
Arti Rajendra Gogri	137781	0.15	137781	0.15	0.00	201964	0.22	(0.07)
Jaya Chandrakant Gogri	1564023	1.71	1564023	1.71	0.00	1576230	1.71	0.00
Rashesh Chandrakant Gogri	4238874	4.64	4238874	4.64	0.00	4271964	4.65	0.00
Hetal Gogri Gala	2787240	3.05	2787240	3.05	0.00	2808997	3.06	0.00
Manisha Rashesh Gogri	186763	0.20	186763	0.20	0.00	188220	0.20	0.00
Aarnav Rashesh Gogri	186365	0.20	186365	0.20	0.00	187820	0.20	0.00
Aashay Rashesh Gogri	875891	0.96	875891	0.96	0.00	882728	0.96	0.00
Renil Rajendra Gogri	597957	0.66	597957	0.66	0.00	1148442	1.25	(0.59)
Mirik Rajendra Gogri	641814	0.70	641814	0.70	0.00	1205222	1.31	(0.61)
Indira Madan Dedhia	191444	0.21	193444	0.21	0.00	194952	0.21	0.00
Priti Prakash Patil	4016315	4.40	4016315	4.40	0.00	4047669	4.40	0.00
Adhish Prakash Patil	1141079	1.25	1141079	1.25	0.00	1141217	1.24	0.01
Prakash M. Patil (HUF)	161557	0.18	161557	0.18	0.00	162818	0.18	0.00
Uday Moreshwar Patil	50252	0.06	50252	0.06	0.00	50637	0.06	0.00
Arun Moreshwar Patil	72864	0.08	72864	0.08	0.00	73432	0.08	0.00
Vikas Moreshwar Patil	34143	0.04	34143	0.04	0.00	34409	0.04	0.00
Kalika Amit Mishra	25164	0.03	25164	0.03	0.00	25360	0.03	0.00
Arati Tushar Sankhe	172702	0.19	172702	0.19	0.00	175691	0.19	0.00
Seema Harshit Savla	3502175	3.84	3502175	3.84	0.00	3529511	3.84	0.00
Vishwa Harshit Savla	939907	1.03	939907	1.03	0.00	947243	1.03	0.00
Bhoomi Harshit Savla	995164	1.09	995164	1.09	0.00	1002932	1.09	0.00
Harshit M. Savla (HUF)	5866	0.01	5866	0.01	0.00	5911	0.01	0.00
Jay Manilal Savla	232060	0.25	242060	0.27	-0.01	271195	0.29	(0.03)
Kenisha Savla	0	-	10817	0.01	-0.01	16924	0.02	(0.01)
Hriman Savla	0	-	10817	0.01	-0.01	16924	0.02	(0.01)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

Promoter Name	As at March 31, 2026		As at March 31, 2025		Change in percentage of shareholding from March 31, 2025 to March 31, 2026	As at March 31, 2024		Change in percentage of shareholding from March 31, 2024 to March 31, 2025
	No of Shares	% held	No of Shares	% held		No of Shares	% held	
Jigna Hiren Shah	452597	0.50	452597	0.50	0.00	456130	0.50	0.00
Aashyav Business Trust (Alabhya Trusteeship Private Limited)	1368429	1.50	1368429	1.50	0.00	1379112	1.50	0.00
Paridhi Business Trust (Saswat Trusteeship Private Limited)	586471	0.64	586471	0.64	0.00	591049	0.64	0.00
Gogri Finserv Pvt. Ltd.	3463971	3.80	3463971	3.80	0.00	3491012	3.80	0.00
Anushakti Enterprise Private Limited	2392696	2.62	2392696	2.62	0.00	2411374	2.62	0.00
Tulip Family Trust (Gloire Trusteeship Services Private Limited)	674636	0.74	918806	1.01	-0.27	925977	1.01	0.00
Orchid Family Trust (Relacion Trusteeship Services Private Limited)	671769	0.74	907077	0.99	-0.26	914157	0.99	0.00
Alchemie Finserv Pvt. Ltd.	2013410	2.21	2013410	2.21	0.00	2029127	2.21	0.00
Safechem Enterprises Private Limited	383132	0.42	558745	0.61	-0.19	563105	0.61	0.00
Aarti Life Science LLP	13369	0.01	13369	0.01	0.00	13473	0.01	0.00
Dilesh Roadlines Pvt Ltd	488730	0.54	488730	0.54	0.00	492545	0.54	0.00
Alchemie Financial Services Limited	38544	0.04	38544	0.04	0.00	38845	0.04	0.00
Aarti Industries Limited	0	-	0	-	0.00	0	-	0.00
Total	**5,02,23,411**		**5,06,33,180**		**(0.45)**	**5,25,23,075**		**(1.65)**

Note No 11.6: Dividends:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Dividend paid during the year		
Final dividend for the year ended March 31, 2025 of ₹ 0 (previous year: ₹ 0) per fully paid share	0	0
Interim Dividend for FY 2025-26 of ₹ 2/- (previous year: ₹ 1/-) per fully paid share	1825.40	912.7
(ii) Dividends not recognised at the end of the reporting period	**0**	**0**

NOTE NO 12: OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital Reserve	200.74	200.74
Capital Redemption Reserve	494.98	494.98
General Reserve	3265.36	1,573.15
Retained Earnings	126052.87	1,12,648.40
Other Comprehensive Income	1338.13	1,090.84
TOTAL	**1,31,352.08**	**1,16,008.11**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

i) Capital Reserve

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	200.74	200.74
Additions	-	-
Closing Balance	**200.74**	**200.74**

ii) Capital Redemption Reserve

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	494.98	428.48
Additions: Buyback of shares	-	66.50
Closing Balance	**494.98**	**494.98**

iii) General Reserve

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	1,573.15	1,489.04
Add:Transferred from Surplus in Statement of Profit & Loss	1,692.21	1,573.15
Less: Buyback of shares	-	(1,489.04)
Closing Balance	**3,265.36**	**1,573.15**

iv) Retained Earnings

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	1,12,648.40	1,05,231.02
Add: Net Profit / (Loss) for the Year	15,229.86	14,158.34
Less: Buyback of shares/Buyback Tax /Dividend Paid	(1,825.40)	(6,740.96)
Closing Balance	**1,26,052.87**	**1,12,648.40**

v) Other Comprehensive Income

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	1,090.84	977.96
Add: Fair value change of investment	286.60	208.99
Less: Remeasurment of defined benefit Liability/Assets	(39.31)	(96.11)
Closing Balance	**1,338.13**	**1,090.84**

Nature and Purpose of Reserves

Capital Reserve

During amalgamation/merger/acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Capital Redemption Reserve

Transferred to Capital Redemption Reserve on redemption of Redeemable Preference Shares during the year and can be used for issuing fully paid up Bonus Shares.

General Reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the 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.

Equity instruments through Other Comprehensive Income

The Company has elected 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 de-recognised.

NOTE NO 13: NON CURRENT BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Term loans		
Secured borrowings		
From Scheduled Banks	17,812.50	23,437.50
Loans & advances from related parties		
From Directors - Unsecured	357.00	357.00
TOTAL	**18,169.50**	**23,794.50**

Note:

1. Refer Note 38a for details of terms of repayment.
2. Refer Note 38ai for pledged security for the Borrowings.
3. Interest @8.50%p.a. is charged for loan from Directors, however no specific repayment schedule is specified.

NOTE NO.14: OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Deposits	1.25	16.01
TOTAL	**1.25**	**16.01**

NOTE NO 15: LONG TERM PROVISION

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits	352.83	344.04
TOTAL	**352.83**	**344.04**

1. Refer Note 44 Employee Benefits

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 16: DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax (Net)		
Deferred Tax Liability		
i) On Fiscal allowances on Fixed Assets	7,562.85	7,077.45
Deferred Tax Assets		
i) On employee benefit obligation	(147.88)	(134.66)
i) On investment fair value changes	430.83	383.00
Fair value of Investment / remeasurement of defined benefit liability/Assets	282.94	248.34
Total	**7,845.80**	**7,325.79**

Movement in Deferred Tax Assets / (Liabilities) (Net)

(₹ in lakhs)

Particulars	Deferred Tax Assets			Deferred Tax Liabilities		
	Emplyee benefit obligation	investment fair value changes	Total	Property, Plant and equipment and investment property	Total	Net Total
At April 01, 2024	**(102.34)**	**348.13**	**245.79**	**6727.45**	**6727.45**	**6,973.24**
(Charged)/Credited:						
to profit or loss	-	-	-	350.00	350	350.00
to other comprehensive income	(32.32)	34.87	(2.55)	-	-	2.55
At March 31, 2025	**(134.66)**	**383.00**	**(248.34)**	**7,077.45**	**7077.45**	**7,325.79**
(Charged)/Credited:			-			
to profit or loss	-	-	-	485.40	485.40	485.4
to other comprehensive income	(13.22)	47.83	(34.61)	-	-	34.61
At March 31, 2026	**(147.88)**	**430.83**	**(282.95)**	**7,562.85**	**7,562.85**	**7,845.80**

NOTE NO 17: CURRENT BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Loans repayable on demand		
From Banks		
Secured Borrowings (Refer Note No.38b)	17,201.90	17,481.75
Unsecured borrowings	1,000.00	5,600.00
Current Maturity of Long term debts	5,625.00	4,515.00
TOTAL	**23,826.90**	**27,596.75**

Note:

1. The quarterly returns or stock statements filed by the Company during the year with the banks are in agreement with books of account of the Company.
2. Refer Note 38b for Pledged security information and details of terms of repayment.
3. Short term unsecured borrowing as on March 31, 2026 taken for 29 days and interest @6.60%p.a.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 18: TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables of Goods,Services & Expenses		
Total outstanding dues of micro and small enterprises	2,354.27	729.54
Total outstanding dues of other than micro and small enterprises	38,977.39	36,581.46
TOTAL	**41,331.66**	**37,311.01**

(₹ in lakhs)

Ageing of trade payable	As at March 31, 2026				
	Outstanding for following periods from invoice date				
	<1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed dues-MSME	**2,354.27**	**-**	**-**	**-**	**2,354.27**
Undisputed dues-Others	38,977.39	-	-	-	38,977.39
Total	**41,331.66**	**-**	**-**	**-**	**41,331.66**

(₹ in lakhs)

Ageing of trade payable	As at March 31, 2025				
	Outstanding for following periods from invoice date				
	<1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed dues-MSME	729.54	-	-	-	729.54
Undisputed dues-Others	36,581.46	-	-	-	36,581.46
Total	**37,311.01**	**-**	**-**	**-**	**37,311.01**

Note:

1. Refer Note 37 for Maturities of Non – derivative financial liabilities.
2. Refer Note 46 disclosure for micro,small and medicum enterprises development Act, 2006.

NOTE NO 19: OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on Loans	178.05	243.23
Project Credtors	1,464.94	1,733.88
TOTAL	**1,642.99**	**1,977.10**

Note: Refer Note 37 for Maturities of Non – derivative financial liabilities.

NOTE NO 20: OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unpaid Dividend	65.23	56.94
Payable Duties & Taxes	157.26	130.14
Advance from customers	847.21	615.09
Other Payables	2,493.81	2,490.38
TOTAL	**3,563.50**	**3,292.55**

Note:

1. Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 21: SHORT TERM PROVISION

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits	275.18	320.28
TOTAL	**275.18**	**320.28**

1. Refer Note 44 Employee Benefits

Note No 21.1: Current Tax Assets (Net) / Current Tax (Liabilities) (Net)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	1,151.42	(249.90)
Add: Taxes paid (Net)	(999.11)	5,195.26
Less: Current Tax payable for the year	(723.05)	(3,793.94)
Closing Balance	**(570.73)**	**1,151.42**

The following table provides the details of income tax assets and liabilites as on March 21, 2026 & March 31, 2025

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Income Tax Assets	-	1151.42
Income Tax Liabilites	570.73	-
Net Current income tax assets/ (liabilities) at the end	**570.73**	**1,151.42**

NOTE NO 22 - REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2026
Sale of Products	2,22,339.86	2,15,879.94
Other Operating Revenue		
Export Benefits/Incentives Received	758.06	682.86
Scrap sales & Others	2,940.59	802.69
Total	**2,26,038.50**	**2,17,365.49**

NOTE NO 23 - OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2026
Dividend income	0.05	1.11
Interest income	109.14	1,204.32
Miscellaneous income	150.16	151.68
Total	**259.35**	**1,357.10**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 24 - COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2026
Op.Stock- Raw Material	16,120.98	16916.32
Add: Purchase	1,35,286.82	130020.35
Less: Cl.Stock- Raw Material	(16,111.69)	(16,120.98)
Total: Raw Material Consumption	1,35,296.11	1,30,815.69
Op.Stock- Packing Material	180.01	154.67
Add: Purchase	2,614.22	2,438.87
Less: Cl.Stock- Packing Material	(217.37)	(180.01)
Total: Packing Materials Consumption	2,576.86	2,413.53
Freight Inward	1,742.35	1,523.38
Clearing & Forwarding	569.39	634.95
Total	**1,40,184.71**	**1,35,387.55**

Note No 24.1 - Change in Inventories

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2026
(Incr.) Decr. In Stock of FG,Stock in Trade & WIP		
Inventories at the beginning of the year		
Op.stock - WIP	11,249.29	12,199.65
Op.stock - Finished Goods	11,630.99	12,880.28
Op.stock - Stock in Trade	-	-
	22,880.28	25,079.92
Inventories at the end of the year		
Cl.stock - WIP	13,538.25	11,249.29
Cl.stock - Finished Goods	8,679.71	11,630.99
Cl.stock - Stock in Trade	-	-
	22,217.96	22,880.28
Total Change	**662.33**	**2,199.64**

NOTE NO 25 - EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2026
Salaries,Wages and Bonus (Mfg)	7,261.51	6,238.37
Staff Welfare Expenses (Mfg)	65.90	71.71
Salaries and Bonus (Adm)	863.12	810.69
Provident Fund Contribution	308.21	263.25
Staff Welfare Expenses	4.36	4.33
Directors' Remuneration	1,124.23	1,136.90
Total	**9,627.34**	**8,525.25**

Note: Refer Note 41 for Details of remuneration to directors.

Note: Refer Note 44 for Details of employee benefits.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 26 - FINANCE COST

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2026
Interest on Term Loans	1,286.33	1,196.24
Interest on Working Capital	1,307.19	1,722.98
Interest on Others (Including Ind AS 116 Interest)	44.17	48.61
Total	**2,637.69**	**2,967.84**

Note: Borrowing cost is capitalised during the year of **₹ 659.05 lakhs** (Previous Year ₹ 1177.29 lakhs).

NOTE NO 27 - DEPRECIATION AND AMORTISATION

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2026
Depreciation on Property, Plant & Equipment	5,481.69	4,654.29
Amortisation on Lease Assets	78.76	115.02
Amortisation on Intangible Assets	3.58	9.60
Total	**5,564.03**	**4,778.90**

NOTE NO 28 - OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2026
Manufacturing Expenses		
Processing Charges	2,493.87	2,230.80
Labour Charges	6,364.02	5,721.04
Insurance Expenses	649.74	559.45
Lease Expenses	29.99	23.60
Power & Fuel	16,721.34	15,046.44
Stores & Spares	3,826.28	3,332.83
Repairs & Maintenance - Building	443.96	251.42
- Plant & Machinery	1,783.36	1,524.08
Research & development (refer note no:31)	512.16	557.20
Water Charges	344.04	293.31
Laboratory Expenses	367.38	361.95
Other Factory Expenses	3,392.27	3,171.22
Sub Total (a)	**36,928.42**	**33,073.35**
Office & Administartion Expenses		
Books & Periodicals	0.04	0.05
Auditors' Remuneration	13.25	13.94
Conveyance Expenses	28.94	28.88
Legal & Professional Charges	294.31	389.92
Membership & Subscriptions	9.93	4.75
Printing & Stationery	23.73	22.26
Postage,Telegram & Telephone	18.35	16.32
Office Electricity Charges	13.10	11.42
Insurance Charges	37.45	49.70
Repairs & Maintanance - Others	86.39	33.56
Entertainment Expenses	0.63	0.83
Miscellaneous Expenses	46.83	48.94
Vehicle Expenses	19.15	16.77

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2026
Travelling Expenses - Directors	7.96	9.84
- Others	44.87	41.69
Directors' Sitting Fees	15.65	16.45
Sub Total (b)	**660.58**	**705.32**
Note: Refer Note 42 for Details of payment to Auditors.		
Selling & Distribution		
Advertisement & Sales Promotion	117.67	68.92
Freight & Forwarding -Export	2,787.35	2,685.90
Freight & Forwarding - Local	1,220.01	1,261.52
Commission Expenses	1,704.84	1,311.39
Insurance Expenses	151.97	153.17
Postage & Telegram	17.33	14.88
Other Export Expenses	394.54	238.47
Provision for Doubtful debts	366.12	342.55
Sub Total (c)	**6,759.83**	**6,076.80**
Finance Cost		
Bank Charges **(d)**	**175.82**	**252.55**
Non Operative Expenses		
Donations	1.49	2.33
CSR Expenditure	414.26	443.45
SubTotal (e)	**415.75**	**445.78**
Note: Refer Note 45 for information on Corporate Social Responsibility Expenses		
Total (a+b+c+d+e)	**44,940.40**	**40,553.80**

NOTE 29. EARNINGS PER SHARE:

(Amount in ₹ in lakhs, except share data)

Particulars	Current Year	Previous Year
Net Profit available for Equity Shareholders	**16,922.07**	15,731.49
Total Comprehensive Income	**17,169.36**	15,844.37
Number of Equity Shares (Nos.)	**91270000**	91270000
Basic & Diluted EPS (after extraordinary items) (₹)	**18.54**	17.18
Nominal value per share (₹)	**10.00**	10.00

Note 29.1:Corporate Information:

Aarti Drugs Limited ("the Company") is a public limited company incorporated and domiciled in India. Its equity shares are listed on Bombay Stock Exchange Ltd and National Stock Exchange of India Limited. The registered office of Company is located at Plot No N-198, M.I.D.C, Tarapur, Village-Pamtermbhi, Dist. Palghar, Maharashtra - 401506 and is incorporated under the provisions of the Companies Act applicable in India.

The Company is primarily involved in manufacturing and marketing of Active Pharmaceutical Ingredients (API), Pharma Intermediates and Specialty Chemicals.

The financial statements have been authorised for issue by the Board of Directors at their meeting held on May 15, 2026.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Note 29.2: Material Accounting Policies and Accounting Estimates and Judgements

1) Basis of preparation:

Statement of Compliance

The Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss for the year ended March 31, 2026, the Statement of Cash Flows for the year ended March 31, 2026 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as ' Standalone Financial Statements')

Classification of Assets and Liabilities:

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

The Statement of Cash flows have been prepared under Indirect Method.

Basis of Measurement

The financial statements have been prepared on a historical cost convention on the accrual basis, except for certain financial instruments that are measured at fair value, viz employee benefit plan assets.

Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency of the Company and all values are rounded to the nearest lakhs, except when otherwise indicated.

Use of estimates and Judgments:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, Judgment & Assumptions. These estimates, judgments & assumption affect the application of accounting policies and the reported amounts of assets & liabilities, the disclosures of contingent assets & liability at the date of the financial statement & reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The following are areas involving critical estimates and judgments:

Judgements:

- Leases
- Estimation of income tax payable and income tax expense in relation to an uncertain tax position
- Provisions and Contingencies

Estimates:

- Impairment
- Accounting for Defined benefit plans
- Useful lives of property, plant and equipment and intangible assets - Fair Valuation of Financial instruments
- Valuation of inventories
- Expected Credit Losses on financial assets

(2) Revenue recognition:

Revenue from contract with customer

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

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.

(i) Sale of goods: Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations. The Company recognises revenue from goods sold and services rendered at Transaction Price which is the amount of consideration the Company expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding the amounts collected on behalf of a third party. The Transaction price is net of discounts, sales incentives, rebates granted, returns, sales taxes, GST and duties and any other recoverable taxes.

Generally, in case of domestic sales, performance obligations are satisfied when the goods are dispatched or delivery is handed over to transporter, revenue from export of goods is recognised at the time of Bill of lading or airway bill or any other similar document evidencing delivery thereof.

(ii) Interest Income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Dividend income: Dividend income is recognised when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

(iv) Export benefits: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

3) Property, plant and equipment (PPE):

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of PPE comprises its purchase price (including the costs of materials / components, cost of acquisition, installation or construction) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and such other incidental costs that may be associated with acquisition or creation of the asset ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the same is depreciated separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Capital expenditure on property, plant and equipment for development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

An item or part of PPE is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss as and when the asset is derecognised.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

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.

Research and Development:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:-

- development costs can be measured reliably;-
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the company intends to and has sufficient resources to complete development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Depreciation:

Depreciable amount of all items of property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation for Property, plant and equipment are provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013.

Leasehold Land is amortised over the tenure of lease.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively; if appropriate an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Impairment

The Company assesses at each reporting the carrying amounts of its property, plant and equipment, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Impairment loss, if any, is provided to the extent that the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an asset or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

4) Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and

market approach), which include unobservable inputs. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" and its recoverable amount at the date of the subsequent decision not to sell. Recoverable amounts of assets reclassified from "Held for Sale" have been estimated using the Management's assumptions.

5) Inventories:

Raw materials, packing materials, store & spares, traded goods and Work in progress are valued at the lower of cost and net realisable value. The cost of Raw materials, packing materials, store & spares and traded goods includes all cost of purchase, duties and taxes (other than those subsequently recoverable from the tax authorities) and all other cost incurred in bringing the inventory to its present location and conditions. Cost is arrived on moving stock on FIFO basis.

Finished goods are valued at lower of cost and net realisable value. The cost of finished goods and Work in progress have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal operating capacity and other related cost incurred in bringing the inventories to their present condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Slow and non-moving material, obsolesces, defective inventory are provided for and valued at net realisable value.

Goods and material in transits are valued at cost incurred upto to the date of balance sheet.

6) Employee benefits:

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

Post-Employment Obligations

Defined contribution plans

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

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value plan assets.

7) Foreign Currency Transactions:

Transaction denominated in foreign currencies is recorded at the exchange rate that approximates the actual rate prevailing at the date of the transaction. Monetary item denominated in foreign currency remaining unsettled at the year-end are translated at year end rates. Differences arising on settlement or conversion of monetary items are recognised in statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transactions. Premium in case of forward contracts is dealt with in the Profit and Loss Account proportionately over the period of contracts.

The exchange differences arising on settlement/ translation are dealt with in the Statement of Profit and Loss.

8) Leases (as a lessee):

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, 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.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: –

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 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, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of -use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Leases as Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as operating leases. Lease income from operating leases is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the pattern in which benefit derived from the use of the underlying asset is diminished. The underlying assets continue to be recognised in the Company's financial statements and are depreciated in accordance with the Company's accounting policy for the relevant class of assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.

9) Income Taxes:

Income tax expense comprises of current tax expense and deferred tax expenses.

Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

Deferred tax:

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

10) Borrowing Costs:

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

11) Provisions and Contingent Liabilities and Contingent Assets

Provisions:

Provisions for legal claims, chargeback and sales returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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 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 or a reliable estimate of the amount cannot be made.

Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements

12) Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Equity Investments

All equity investments (excluding the investments in Subsidiaries) 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 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 the 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.

Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities (including loans and borrowings, bank overdrafts 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.

Fair Value Measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a. In the principal market for the asset or liability, or

b. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value

measurement as a whole:

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

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

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable for assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation [based on the lowest level input that is significant to the fair value measurement as a whole] at the end of each reporting period.

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair value through profit and loss (FVTPL). The Company 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 Company 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. ECL is the difference between all contractual cash flows that are due to the Company 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

13) 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:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

14) Cash and cash equivalents

For the purpose of presentation in the Balance sheet, Cash and Cash equivalents comprises cash at bank and on hand and other short-term, highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank and on hand and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

15) Contributed Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

i. Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year,

adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

ii. Dividends to shareholders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by shareholders. Any interim dividend paid is recognised on approval by the board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

30. CONTINGENT LIABILITIES AND COMMITMENTS:

(₹ in lakhs)

Particulars		As at March 31, 2026	As at March 31, 2026
(i)	**Contingent Liabilities**		
	In respect of bank guarantees issued and L/C opened by the Company's bankers	17092.25	11845.71
	Demand in respect of additional income tax disputed in appeal (not acknowledged as debt)	9242.66	9238.24
	Demand in respect of additional Excise, custom duty, service tax, sales tax, GST fine & disputed in appeal(not acknowledged as debt)	5827.01	4655.10
	Liability for duty on raw material imported under advance license benefit scheme against which export obligation remained to be fulfilled	58.66	103.94
	Liability for Maharashtra Pollution Control Board	879.35	879.35
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1463.57	1340.19
	Investment in Equity and Compulsory Convertible Debentures (CCDs) pursuant to the Share Subscription and Shareholders' Agreement entered into for developing, constructing, operating and maintaining a solar power plant for captive consumption of electricity under open access mechanism	806.42	963.90

Note:

1) During the year, the Company invested ₹ 6.30 Lakhs in the equity share capital of Pro-zeal Green Power Six Private Limited by subscribing to 63,000 Equity Shares of ₹10 each, representing 26.25% of its total share capital, pursuant to the Share Subscription and Shareholders' Agreement entered into for developing, constructing, operating and maintaining a solar power plant for captive consumption of electricity by the factories of the Company located in Gujarat. Further, pursuant to the aforesaid agreements, the Company is required to invest an aggregate amount of ₹ 158.70 Lakhs by way of subscription to 15,870 Compulsorily Convertible Debentures (CCDs) of face value of ₹1,000 each, in various tranches, subject to the achievement of specified milestones relating to the development of the power project. Against this commitment, as at March 31, 2026, the Company had invested ₹ 151.18 Lakhs by subscribing to 15,118 CCDs. The remaining ₹ 7.52 Lakhs will be invested upon achieving specific milestones pursuant to the aforesaid agreements.

2) During the year, the Company invested ₹ 6.30 Lakhs in the equity share capital of Pro-zeal Green Power Nine Private Limited by subscribing to 63,000 Equity Shares of ₹10 each, representing 26.25% of its total share capital, pursuant to the Share Subscription and Shareholders' Agreement entered into for developing, constructing, operating and maintaining a solar power plant for captive consumption of electricity by the factories of the Company located in Maharashtra. Further, pursuant to the aforesaid agreements, the Company is required to invest an aggregate amount of ₹ 798.90 lakhs by way of subscription to 79,890 Compulsorily Convertible Debentures (CCDs) of face value of ₹1,000 each, in various tranches, subject to the achievement of specified milestones relating to the development of the power project.

31. DISCLOSURE REGARDING SCIENTIFIC RESEARCH & DEVELOPMENT EXPENDITURE

(₹ lakhs)

YEAR	RECURRING EXPENDITURE	CAPITAL EXPENDITURE
FY 2025-26	512.16	140.33
FY 2024-25	557.20	232.62*

*Major Capital Expenditures in the item Water LCMS with Accessories and HPLC/UPLC.

32. SEGMENT REPORTING (IND- AS 108)

Ind AS 108 establishes standards for the way that company reports information about operating segment and related disclosure about products and geographical areas.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

I. BASIS FOR SEGMENTATION

The operations of the Company are limited to one segment i.e Manufacturing of API (Active Pharmaceutical Ingredients).The products being sold under this segment are of similar nature and comprises of pharmaceutical intermediary products only. The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information adjustments, etc.) on a periodic basis.

(₹ in lakhs)

II.	GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS	For the year ended March 31, 2026	For the year ended March 31, 2026
	Segment Revenue		
a)	Out of India	85174.31	76920.62
b)	India	140864.19	140444.87
	Total	**226038.50**	**217365.49**

33. RELATED PARTY DISCLOSURES AS PER IND AS 24

A. Name and Relationship of the Related Parties:

(1) Subsidiary – Wholly owned & Subsidiary Company

Name of the Company	Country of Incorporation	As at March 31, 2026 Proportion of Ownership Interest	As at March 31, 2025 Proportion of Ownership Interest
Wholly Owned Subsidiary Company			
Pinnacle Life Science Private Ltd	India	100%	100%
Aarti Speciality Chemicals Limited	India	100%	100%
Subsidiary Company			
Pinnacle Chile SPA	Chile	95%	95%
- Step down subsidiary			
Pharma GO SPA	Chile	95%	95%
Tripharma Chile SPA	Chile	95%	-

(2) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of such individual.

- Individuals

Shri. Chandrakant V. Gogri	Chairman Emeritus
Shri. Rajendra V. Gogri	Promoter

- Relatives of Individuals

Smt. Jaya C. Gogri	Shri. Mirik R Gogri
Smt. Arti R. Gogri	Shri. Renil R. Gogri
Shri. Mulraj C. Gala	Smt. Hetal Gogri Gala
Smt. Indira M. Dedhia	Smt. Dollar Dedhia
Smt. Pooja Renil Gogri	

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(3) Key Management personnel along with their relatives have significant influence.

- Key Management Personnel including Non-Executive Directors

Shri. Prakash M. Patil	Chairman, Managing Director & Chief Executive Officer
Shri. Harshit M. Savla	Jt. Managing Director
Shri. Rashesh C. Gogri	Managing Director
Shri. Harit. P. Shah	Whole-time Directors
Shri. Uday M. Patil	Whole-time Directors
Shri. Adhish P. Patil	Chief Financial Officer
Shri.Rushikesh Deole	Company Secretary & Compliance Officer
Shri. Juan Fidel Gomez Barrera	Director of Subsidiary
Shri. Parth S. Shah	Whole-time Directors of Subsidiary
Shri Narendra J. Salvi	Non-Executive Director
Shri Ankit V. Paleja	Non-Executive Director
Shri Bhaskar N. Thorat	Non-Executive Director
Smt. Neha R. Gada	Non-Executive Director
Shri Hasmukh B. Dedhia	Non-Executive Director
Shri Sandeep M. Joshi	Non-Executive Director
Shri Ajit E. Venugopalan	Non-Executive Director

- Relatives of Key Management Personnel

Smt. Priti P. Patil	Smt. Seema H. Savla
Shri. Arun M. Patil	Smt. Bhoomi H. Savla
Dr. Vikas M. Patil	Shri. Vishwa H. Savla
Shri. Sameer P.Shah	Smt. Jayashree H. Shah
Smt. Arati T. Sankhe	Smt.Manisha R. Gogri
Smt. Reshmi Vanjara	Smt. Kalika A. Mishra
Shri. Tushar Sankhe	Shri. Amit Mishra
Smt. Kalpana Sankhe	Shri. Aashay R. Gogri
Shri. Aarnav R. Gogri	Smt. Richie Gandhi
Shri. Jigar Solanki	Shri. Jay M. Savla
Smt. Jigna Shah	Smt. Kalpana H. Chheda
Smt. Vandana U. Patil	Shri. Tejas U. Patil
Smt. Riya T. Patil	Smt. Snehal T. Sahu
Shri. Pradeep S. Sahu	Shri. Maahir H.Shah

(4) Enterprise/firms with whom transactions have taken place and over which controlling individuals have significant influence.

- Aarti Industries Ltd.
- Pinnacle Life Science Private Ltd
- Aarti Life Science LLP.
- Aarti Speciality Chemicals Limited
- Aarti Pharmalabs Limited
- Aarti Packwell Private Ltd
- Aarti Surfactants Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

- Alchemie Gases & Chemicals Pvt Ltd
- Alchemie Finechem Private Limited
- Valiant Organics Limited
- Pinnacle Chile SpA

Transaction with the Related Parties:

Sr. No.	Particulars	Relationship	FY 2025-26 ₹ In lakhs	FY 2024-25 ₹ In lakhs
a)	**Sale of Goods**			
	Pinnacle Life Science Private Ltd	Wholly Owned Subsidiary	2,713.31	3,555.59
	Aarti Industries Ltd	Entities in which some of the directors are interested	13.49	-
	Aarti Pharmalabs Ltd	Entities in which some of the directors are interested	477.95	15.25
	Aarti Surfactants Ltd	Entities in which some of the directors are interested	6.16	-
b)	**Dividend/Rent Income from Pinnacle Life Science Pvt Ltd**	Wholly Owned Subsidiary	45.88	31.14
c)	**Purchase of Goods Traded**			
	Aarti Industries Ltd	Entities in which some of the directors are interested	2006.77	1261.28
	Aarti Pharmalabs Ltd	Entities in which some of the directors are interested	406.24	184.41
	Aarti Packwell Pvt Ltd	Entities in which some of the directors are interested	31.72	-
	Alchemie Finechem Pvt. Ltd	Entities in which some of the directors are interested	139.92	115.19
	Valiant Organics Limited	Entities in which some of the directors are interested	832.52	-
d)	**Manufacturing Expenses**			
	Pinnacle Life Science Private Ltd	Wholly Owned Subsidiary	36.39	49.85
	Aarti Life Science LLP	Entities in which some of the directors are interested	96.00	96.00
	Alchemie Gases & Chemicals Pvt Ltd	Entities in which some of the directors are interested	14.74	17.55
e)	**Other Expenses/Reimbursement exp.**			
	Pinnacle Life Science Private Ltd	Wholly Owned Subsidiary	9.30	13.36
	Pinnacle Chile Spa	Subsidiary	45.61	35.18
	Aarti Industries Ltd	Entities in which some of the directors are interested	64.15	76.25
	Aarti Pharmalabs Ltd	Entities in which some of the directors are interested	86.76	-
f)	**Finance Cost**			
	Prakash M Patil	KMP	21.85	21.85
	Harshit M Savla	KMP	8.50	8.50

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Sr. No.	Particulars	Relationship	FY 2025-26 ₹ In lakhs	FY 2024-25 ₹ In lakhs
g)	**Employee Benefit and Office & Administration Expenses**			
	Prakash M Patil	Director	291.04	293.92
	Harshit M Savla	Director	263.59	268.74
	Harit. P. Shah	Director	263.59	268.74
	Uday M Patil	Director	42.41	36.75
	Rashesh C Gogri	Director	263.59	268.74
	Adhish Patil	KMP	125.62	122.64
	Vikas Patil	Relative of KMP	26.84	27.97
	Rushikesh Deole	KMP	20.89	14.84
	Arun Patil	Relative of KMP	36.55	29.95
	Tejas Patil	Relative of KMP	9.63	7.67
	Shri Narendra J. Salvi	Non-Executive Director	1.10	1.60
	Shri Ankit V. Paleja	Non-Executive Director	2.50	2.60
	Shri Bhaskar N. Thorat	Non-Executive Director	2.10	2.35
	Smt. Neha R. Gada	Non-Executive Director	3.00	2.75
	Shri Hasmukh B. Dedhia	Non-Executive Director	2.80	2.65
	Shri Sandeep M. Joshi	Non-Executive Director	1.60	1.85
	Shri Ajit E. Venugopalan	Non-Executive Director	2.55	2.65
h)	**Closing Balance**			
	Balance Receivable			
	Pinnacle Life Science Private Ltd	Wholly Owned Subsidiary	695.61	1,698.48
	Pinnacle Chile SpA	Subsidiary	149.07	103.47
	Aarti Pharmalab Limited	Entities in which some of the director are interested	200.25	-
	Aarti Surfactants Limited	Entities in which some of the director are interested	7.14	-
	Balance Payable			
	Aarti Life Science LLP	Entities in which some of the directors are interested	5.12	5.12
	Alchemie Gases & Chemicals Pvt Ltd	Entities in which some of the directors are interested	1.34	1.74
	Aarti Industries Ltd	Entities in which some of the directors are interested	420.20	308.05
	Valiant Organics Ltd	Entities in which some of the directors are interested	148.51	-
	Aarti Packwell Pvt. Ltd	Entities in which some of the directors are interested	19.43	-
	Aarti PharmaLabs Ltd	Entities in which some of the directors are interested	-	25.83
	Prakash M Patil	KMP	257.00	257.00
	Harshit M Savla	KMP	100.00	100.00
	Sales of Pinnacle Chile SpA Shares			
	Jaun Fidel Gomez Barrera	KMP of Subsidiary	-	2.20
	Stand by letter of Credit (Guarantee in favour of Subsidiary company)			
	Pharma Go SpA (new SBLC issued)	Step-down Subsidiary	1419.75	-
	Pinnacle Chile SpA (SBLC Renewed)	Subsidiary	8329.20	-
	Closing balance of Stand by letter of Credit			
	Pharma Go SpA	Step-down Subsidiary	1419.75	-
	Pinnacle Chile SpA	Subsidiary	8329.20	8814.88

1. Transactions are Net of Taxes

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

34. Additional information

Licensed capacity installed capacity and production

a.

Class of Goods	* Licensed	Units	Year	Installed	Production	Captive
Pharmaceutical	----	MT	2025-26	82,512	53,139	13,208
		MT	2024-25	61,053	44,915	11,621

* As license is not required Licensed Capacity not given.

b.

Purchase of trading items (Net):	For the year ended March 31, 2026	For the year ended March 31, 2025
Quantity in MT	**7305.50**	6321.49
Amounts (₹ in lakhs)	**4,550.84**	4,434.20

c.

Value of Raw materials and spares consumed	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw Material:		
Indigenous		
Percentage %	**43.70**	40.91
Amount (₹ In lakhs)	**58,123.99**	53,515.13
Imported		
Percentage %	**56.30**	59.09
Amount (₹ In lakhs)	**76,172.12**	77,300.56
Stores and spares		
Indigenous		
Percentage %	**100.00**	100.00
Amount (₹ In lakhs)	**3,826.28**	3,332.83

d. (₹ in lakhs)

C.I.F Value of Imports	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw Material	**71,353.09**	71,858.48
Capital Goods	**459.68**	266.79

e. (₹ in lakhs)

Expenditure in Foreign Currency	For the year ended March 31, 2026	For the year ended March 31, 2025
Commission	**1248.79**	882.82
Professional / Technical Service & others	**412.94**	153.97
Foreign Bank Charges	**78.27**	118.01
Travelling Expenses	**43.77**	43.06
Sales Promotion	**21.84**	19.47

f. (₹ in lakhs)

Earnings in Foreign Exchange	For the year ended March 31, 2026	For the year ended March 31, 2025
F.O.B. Value of Exports	**71,287.49**	67,576.67

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

35. FAIR VALUE MEASUREMENTS:

Financial Instrument by Category

(₹ in lakhs)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
Financial Asset								
At Amortised Cost								
Trade Receivables	**73,241.23**	-	-	-	70,172.11	-	-	-
Cash & Cash Equivalent	**357.18**	-	-	-	328.05	-	-	-
Bank Balance Other than Cash and Cash Equivalents	**112.90**				129.43			
Other Financial Assets	**1,545.06**	-	-	-	1,503.42	-	-	-
At FVTOCI								
Investment	**7,229.54**	-	**7,107.75**	-	4,239.69	-	4,239.69	-
Financial Liabilities								
At Amortised Cost								
Borrowings	**41,996.40**	-	-	-	51,391.25	-	-	-
Trade Payables	**41,331.66**	-	-	-	37,311.01	-	-	-
Other Financial Liabilities	**1,744.80**	-	-	-	2,159.00	-	-	-

The financial instruments are categorised into two levels based on the inputs used to arrive at fair value measurements are described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observed for the asset or liability, either directly or indirectly.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

36. CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total capital. Debt is calculated as loans and borrowings plus lease liabilities.

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2026
Total Debt (A)	**42,096.96**	51,557.14
Total Equity (B)	**1,40,479.08**	1,25,135.11
Gearing Ratio (A/B)	**0.30**	0.41

37. FINANCIAL RISK MANAGEMENT:

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

Company has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

I. Credit Risk

Credit risk is the risk that a counter party 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 trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

Credit risk management.

To manage the credit risk, the Company follows an adequate credit control policy and also has an external credit insurance cover with ECGC policy & HDFC ERGO General Insurance Company Limited.The requirement of assessing the impairment loss on trade receivables does not arise, since the collectability risk is mitigated. Bank balances are held with banks and majority of other security deposits are placed majorly with government/statutory agencies.

Particulars	As at March 31, 2026	As at March 31, 2026
Opening Provision	**469.72**	226.34
Add:- Additional provision made	**303.64**	342.55
Less: Provision written off	**-**	0.00
Less: Provision Reversed	**-**	99.17
Closing Provisions	**773.36**	469.72

II. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Liquidity Risk Management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

As at March 31, 2026

Maturities of non-derivative financial liabilities

(₹ in lakhs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	41,331.66		-	41,331.66
Other financial liabilities	1,642.99	1.25	-	1,644.24
Total	42,974.65	1.25	-	42,975.90

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

As at March 31, 2025

Maturities of non-derivative financial liabilities

(₹ in lakhs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	37,311.01		-	37,311.01
Other financial liabilities	1,977.10	16.01	-	1,993.11
Total	39,288.11	16.01	-	39,304.12

III. Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices– will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Financial instruments affected by market risk include trade receivable, trade payable & others, loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities are expose to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in exports and imports which is majorly in US dollars. Hence, to combat the foreign currency exposure, the Company follows a policy wherein the net sales are hedged By forward Contract.

38. SECURED BORROWING FROM BANKS:

(₹ in lakhs)

a. Bank Name	As at March 31, 2026	As at March 31, 2025	Future Installment	
			Within 1 Year	Subsequent Years
Kotak Mahindra Bank limited	**23,437.50**	27,187.50	5,625.00	17,812.50
HDFC Bank ltd	-	765.00	-	-

(₹ in lakhs)

Name Of The Lender	Basis for ROI	Sanctioned Amount	As at March 31, 2026	Year of Last Instalments Due
Kotak Mahindra Bank Ltd	(Repo+Spread)	8,370.66	2,578.00	FY 2027-28
Kotak Mahindra Bank Ltd	(Repo+Spread)	1,629.34	1,222.00	FY 2027-28
Kotak Mahindra Bank Ltd	(Repo+Spread)	5,000.00	4,687.50	FY 2028-29
Kotak Mahindra Bank Ltd	(Repo+Spread)	15,000.00	15,000.00	FY 2030-31
Total		**35,100.00**	**23,437.50**	

Note: 1. Spread applicable as mutually agreed at the time of disbursement.

2. On aggregate charge basis for Short Term Loan-rate of interest 6.60% to 6.85% & On aggregate charge basis for Term Loan –rate of interest 7.60% to 7.85%.

(₹ in lakhs)

Name Of The Lender	Basis for ROI	Sanctioned Amount	As at March 31, 2026	Year of Last Instalments Due
HDFC Bank Ltd	(Fixed)	5,100.00	765.00	FY 2025-26
Kotak Mahindra Bank Ltd	(Repo+Spread)	8,370.66	6,278.00	FY 2027-28
Kotak Mahindra Bank Ltd	(Repo+Spread)	1,629.34	1,222.00	FY 2027-28
Kotak Mahindra Bank Ltd	(Repo+Spread)	5,000.00	4,687.50	FY 2028-29
Kotak Mahindra Bank Ltd	(Repo+Spread)	15,000.00	15,000.00	FY 2030-31
Total		**35,100.00**	**27,952.50**	

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Note: 1. Spread applicable as mutually agreed at the time of disbursement.

2. On aggregate charge basis for Short Term Loan-rate of interest 7.60% to 7.85% & On aggregate charge basis for Term Loan –rate of interest 8.35% to 8.60%.

Note:

(ai) The above term loans are secured by a first-ranking pari-passu charge by way of mortgage over the Company's immovable properties and hypothecation of its movable fixed assets, both present and future, situated at MIDC, Boisar, Maharashtra, comprising Plot Nos. N-198, G-60, E-21, E-22, E-1, K-40, K-41, E-120, E-9/3, E-9/4, W-60(B), W-61(B), W-62(A), W-71(B), W-72(B), W-73(B) and T-150; at MIDC, Turbhe, Maharashtra, comprising Plot Nos. D-277 and D-278; and at GIDC, Sarigam, Bhilad, Gujarat, comprising Plot Nos. 2902, 2904, 211, 213, 2601, 2602 and 2603.

(aii) Term Loan from HDFC Bank Ltd is also secured by way of pari-passu second charge on current assets of the company both present and future.

b. Loans from Scheduled Banks Payable on Demand of **₹ 17,201.90 lakhs** (Previous Year ₹ 17,481.75 lakhs) are secured by pari-passu first charge by way of hypothecation of Company's raw materials stock, stock-in-process, finished goods, packing materials, stores & spares, book debts, and all other current assets including goods in transit governed by documents of title and also pari-passu second charge by way of mortgage of immovable properties and hypothecation of movable fixed assets. both present and future, situated at MIDC, Boisar, Maharashtra, comprising Plot Nos. N-198, G-60, E-21, E-22, E-1, K-40, K-41, E-120, E-9/3, E-9/4, W-60(B), W-61(B), W-62(A), W-71(B), W-72(B), W-73(B) and T-150; at MIDC, Turbhe, Maharashtra, comprising Plot Nos. D-277 and D-278; and at GIDC, Sarigam, Bhilad, Gujarat, comprising Plot Nos. 2902, 2904, 211, 213, 2601, 2602 and 2603.

39. CAPITAL MANAGEMENT:

The Company has foreign exchange exposure because of its trade related (export/import) fund related function. The Company uses forward contracts, Options and Swaps to hedge against its foreign exchange exposures relating to underlying transactions. The Company does not enter into any derivatives instruments for trading or speculation purposes. During the year ended March 31, 2025, the company had hedge in aggregate an amount of **₹ 31,120.64/-lakhs** (previous year ₹ 33,341.09/-lakhs) out of its annual trade related operations (export& import) aggregating to **₹ 1,44,648.05/-lakhs** (previous year ₹ 1,41,502.68/-lakhs) after considering natural hedge.

40. Sales /Income from Operation include export benefits amounting to **₹ 758.05/-lakhs** (previous year ₹ 682.85/-lakhs)

41. DIRECTORS REMUNERATION:

(₹ in lakhs)

Particulars	Current Year	Previous Year
Salary to Managing Directors and whole time Directors	**352.88**	323.96
Bonus/Leave Travel Allowance/House Rent Allowance/Medical/Leave Salary	**74.93**	66.21
Commission / Performance Linked Incentives	**614.35**	671.26
Contribution to Provident Fund	**1.08**	1.08
Superannuation fund scheme	**80.99**	74.39
Total Remuneration	**1124.23**	**1136.90**

42. AUDITORS' REMUNERATION INCLUDES

(₹ in lakhs)

Particulars	Current Year	Previous Year
Statutory Audit	**13.00**	12.79
Certification	**0.25**	1.15
Total	**13.25**	**13.94**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

43. RECONCILIATION OF EFFECTIVE TAX RATE

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

(₹ in lakhs)

Particulars	Current Year	Previous Year
Accounting profit before income taxes	**18130.52**	19875.43
Statutory income tax rate (%)	**25.168**	25.168
Computed expected tax (benefit)/expenses	**4563.09**	5002.25
Timing difference in depreciable assets	**(838.85)**	(297.15)
Other Non-deductible expenses for tax purpose	**100.90**	112.19
Other deductible Items for tax purpose	**(3102.09)**	(1023.35)
Deferred Tax recognised (net)	**485.40**	350.00
Income tax expense reported in the statement of profit and loss	**1208.45**	4143.94
Effective Income Tax Rate	**6.67**	**20.85**

44. EMPLOYEE BENEFITS:

a) Defined Benefit Plan

The employee's gratuity fund scheme managed by Life Insurance of India and Aditya Birla Sun Life Insurance Company Ltd is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in lakhs)

		Gratuity (Funded) Current Year	Gratuity (Funded) Previous Year
a.	**Reconciliation of Opening and Closing balances of Defined Benefit Obligation**		
	Defined Benefit Obligation at beginning of the Year	**2339.10**	2117.90
	Current/Past Service Cost	**124.89**	104.14
	Interest Cost	**159.53**	152.91
	Actuarial(gain)/ loss	**21.99**	119.37
	Benefits Paid	**(230.22)**	(155.22)
	Defined Benefit Obligation at year end	**2415.29**	2339.10
b.	**Reconciliation of opening and closing balances fair value of plan assets**		
	Fair value of plan assets at beginning of the year	**2101.45**	2034.39
	Expected return of plan assets	**(30.54)**	(9.06)
	Interest Income	**143.32**	146.88
	Employer Contribution	**238.21**	84.46
	Benefits Paid	**(230.22)**	(155.22)
	Fair value of plan assets at year end	**2222.21**	2101.45
	Actual return on plan assets	**(30.54)**	(9.06)
c.	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets	**2222.21**	2101.45
	Present value of obligation	**(2415.29)**	(2339.10)
	Amount Recognised	**(193.07)**	(237.65)

(₹ in lakhs)

		Gratuity (Funded) Current Year	Gratuity (Funded) Previous Year
d.	**Expenses recognised during the year**		
	Current/Past Service cost	**124.89**	104.14
	Interest cost	**16.21**	6.03
	Expected return on plan assets	**-**	-
	Actuarial(gain)/ loss recognised in OCI	**52.53**	128.43
	Net Cost	**16.21**	6.03
	L.I.C Group Gratuity (Cash Accumulation) Policy, and Aditya Birla Sun Life Insurance Company Ltd. Group Gratuity Policy	**67.75% Invested with L.I.C. & 32.25% ABSLCL**	71.71% Invested with L.I.C. & 28.29% ABSLCL
e.	**Actuarial assumptions**		
	Mortality Table(L.I.C.)	-	
		2012-14	2012-14
		(Ultimate)	(Ultimate)
	Discount rate (per annum)	**7.67%**	6.82%
	Expected rate of return on plan assets (per annum)	**7.67%**	6.82%
	Rate of escalation of in Salary (per annum)	**5.00%**	5.00%
	The estimate of rate of escalation in salary considered in Actuarial valuation, take into account inflation, seniority, promotion, other relevant factors' including supply and Demand in the employment market. The above information is certified by the actuary		
f.	**Other Details**		
	No of Members in Service	**1355**	1284
	Per Month Salary for Members in Service	**348.64**	318.25
	Weighted Average Duration of the Defined Benefit Obligation	**7**	8
	Average Expected Future Service	**16**	15
	Defined Benefit Obligation (DBI)-Total	**2415.29**	2339.10
	Defined Benefit Obligation (DBI)-Due but Not Paid	**-**	-
	Expected Contribution in the Next Year	**321.23**	318.25
g.	**Maturity Analysis of the Benefit Payments**		
	1st Following Year	**293.19**	334.97
	2nd Following Year	**240.52**	97.18
	3rd Following Year	**274.17**	276.35
	4th Following Year	**217.25**	254.27
	5th Following Year	**357.27**	192.69
	Sum of Year 6 To 10	**1172.58**	1224.11
	Sum of Year 11 and above	**1729.71**	1584.90
h.	**Sensitivity Analysis**		
	Defined Benefit Obligation on Current Assumptions	**2415.29**	2339.10
	Delta Effect of +1% Change in Rate of Discounting	**(130.17)**	(134.70)
	Delta Effect of -1% Change in Rate of Discounting	**146.60**	152.37
	Delta Effect of +1% Change in Rate of Salary Increase	**144.54**	148.74
	Delta Effect of -1% Change in Rate of Salary Increase	**(131.30)**	(134.70)
	Delta Effect of +1% Change in Rate of Employee Turnover	**24.28**	17.05
	Delta Effect of -1% Change in Rate of Employee Turnover	**(27.14)**	(19.09)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

b) Leave Encashment:

Leave Encashment liability amounting to **₹ 403.49 lakhs** previous year (₹ 397.84 lakhs) has been provided in the Accounts for the year.

45. As per Section 135 of the Companies Act 2013, details of amount to be spent on Corporate Social Responsibility are as below.

(₹ in lakhs)

Particulars	Current Year	Previous Year
Gross Amount to be spent on CSR Activity	**402.08**	440.72
Amount spent during the year:	**414.26**	443.45
Projects:		
- Education and Skill development	**192.11**	55.43
- Healthcare Facilities	**114.00**	152.50
- Tribal Welfare	**-**	-
- Conservation of natural resources and maintaining quality of soil, air and water	**9.39**	92.21
- Rural development.	**-**	58.11
- Livestock Development	**30.00**	-
- Medical Grant	**-**	-
- Women Empowerment Welfare	**-**	-
- Public Infrastructure	**47.71**	7.94
- Support Weaker section of the Society	**21.05**	77.26
Total CSR Expenses	**414.26**	**443.45**
Previous year excess spent	**11.71**	8.98
Excess/(shortfall) during the year	**23.89**	11.71
Total of previous year shortfalls		-

46. DISCLOSURE FOR MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT) ARE GIVEN AS FOLLOWS:

(₹ in lakhs)

		Current Year	Previous Year
A	Principal amount and the interest due on the above.	**2354.27**	729.54
B	Interest paid during the year beyond the appointed day.	**-**	-
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	**-**	**-**
D	Amount of interest accrued and remaining unpaid at the end of the year.	**-**	-
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	**-**	-

The above information regarding Micro enterprises and small enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delay payments.

47. ADDITIONAL STATUTORY INFORMATION:

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part 1 of Division II of Schedule III of the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

a. Ratios:

Ratio	Current year	Previous year	% Variance
Current ratio (in times) (Current Assets/ Current Liabilities)	1.70	1.67	1.80
Debt-Equity ratio (in times) (Debt consists of borrowings and lease liabilities/ Shareholder's Equity)	0.30	0.41	(26.83)
Debt service coverage ratio (in times) (Net Profit after taxes + Depreciation + Interest on loan)/(Interest on loan and lease payments + Long term principal repayments)	3.48	2.44	42.62
Return on equity ratio (in %) (Net profit after tax/ Average Shareholder's equity)	12.74	12.97	(1.77)
Inventory Turnover Ratio (in %) (Cost of goods sold/ Average Inventories)	4.81	4.39	9.57
Trade receivables turnover ratio (in times) (Net Credit Sales/ Average trade receivables)	3.72	3.81	(2.36)
Trade payables turnover ratio (in times) (Net Credit Purchase/ Average trade payables)	4.84	5.00	(3.20)
Net capital turnover ratio (in times) (Net Sales/ Average working capital (i.e. Total current assets less Total current liabilities))	3.37	3.26	3.37
Net profit ratio (in %) (Net Profit after tax/ Net Sales)	7.49	7.24	3.45
Return on capital employed (in %) (Earning before interest and taxes)/ (Tangible Net Worth + Total Debt + Deferred tax Liability)	11.10	12.85	(13.62)
Return on investment (in %) (Income generated from invested funds/ Average Investments)	-	-	-

Note:

The Debt-Equity ratio decreased by 26.83%, and the Debt Service Coverage Ratio improved significantly by 42.62% predominantly due to efficient working capital management.

b. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

c. The Company do not have any transactions with struck off companies.

d. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

f. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

g. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or

ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

h. The Company has not granted any loans and advances in the nature of loans to promoters, directors, KMP, or related parties

i The Company have 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.

j. The Company have not 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.

k. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

l. The Company has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules,2017.

48. Figures of the previous year have been regrouped, reclassified and rearranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE.

For GOKHALE & SATHE
Chartered Accountants
Firm Registration No.: 103264W

Sd/-
CA Ravindra More
(Partner)
Membership No. 153666

Place: Mumbai
Date: May 15, 2026

For and on Behalf of the Board of Directors of Aarti Drugs Limited

Sd/-
Prakash M. Patil
(Chairman, Managing Director & CEO)
DIN: 00005618

Sd/-
Harshit M. Savla
(Jt. Managing Director)
DIN: 00005340

Sd/-
Adhish P Patil
(Chief Financial Officer)

Sd/-
CS Rushikesh Deole
(Company Secretary)
ICSI M.NO.F12932

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AARTI DRUGS LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated financial statements of **Aarti Drugs Limited** (the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise Consolidated Balance Sheet as at 31 March 2026, the Consolidated Statement of Profit and Loss (including the statement on Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year ended on that date and notes to the consolidated financial statements (including 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, 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 state of affairs of the Company as at 31 March 2026 and its consolidated profit, and 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 ("SA"s) 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 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 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 obtained by us is 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 Ind AS 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 Matters	Auditor's Response
1	**Direct and Indirect Tax receivables and contingent liabilities pertaining to tax matters under dispute.** The Group has reflected ₹ 6663.88 lakhs as demand in respect of additional Excise, Customs Duty, Service Tax, GST etc. as on 31 March 2026 (₹ 5,258.89 lakhs as on 31 March 2025). Further, the Group is reflecting demand from Income Tax Department disputed in appeal to the tune of ₹ 9,242.66 lakhs on 31 March 2026 (Rs 9,238.24 lakhs as on 31 March 2025).	**Principle audit procedures, performed by us -** We have carried out the validation of the information provided by the management by performing the following procedures: a) Evaluating the reasonableness of the underlying assumptions. b) Examining the relevant orders and supporting documents on record.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Key Audit Matters	Auditor's Response
	Contingent liabilities as defined in Ind AS 37 require assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgement by the management. The ultimate recoverability of receivables is based on outcome of those proceedings and require inputs from subject specialists, management judgement and therefore required significant audit attention. Refer Note 30: Contingent Liabilities and Commitments in Notes to the consolidated financial statements.	c) Relying on relevant external evidence available including applicable judicial pronouncements and industry practices. d) Getting representations from the management wherever necessary. e) For contingent liabilities of subsidiary companies, we have relied upon the audit reports by respective component auditors
2	**Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment.** The carrying value of property, plant and equipment as on 31 March 2026 of ₹ 1,06,827.42 Lakhs (as on 31 March 2025 of ₹ 85,625.49 Lakhs) includes ₹ 28,438.14 Lakhs capitalised / transferred from capital work in progress during the year (₹ 11,082.71 Lakhs for FY 2024-25). Cost Recognition of Property, Plant and Equipment as specified in IndAS 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 1: Property, Plant and Equipment in Notes to the Consolidated financial statements.	**Our audit procedures, amongst others, include the following-** a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure. b) We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment with reference to Indian Accounting Standard 16: Property, Plant and Equipment. c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment. d) We have relied upon the observations of internal auditors of physical verification of Property, Plant and Equipment. e) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs. f) Ensuring adequacy of disclosures in the consolidated financial statements. g) We have relied upon audit reports of component auditors for subsidiary companies. h) We have relied upon management assessment about capex project being ready for its intended use and hence capitalisation of the same.

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 to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information to the extent made available for our verification as on date of this report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Boards of Directors of the companies included in the Group and its subsidiaries 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of its components to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or respective components to cease operations, or has no realistic alternative but to do so.

The Board of directors of the companies included in the Group and its components are also responsible for overseeing the Company's financial reporting process of the group and its components.

AUDITORS' 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 scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its components 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 & its Components 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. For those entities included in the consolidated financial statements of which we are the component auditors, we remain responsible for the direction, supervision, and performance of the audit of their financial statements / financial information. For the other entities included in the consolidated financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision, and performance of the audits carried out by them. We remain solely responsible for our audit opinion 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 Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated 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 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

I. Financial Results of Subsidiaries not audited by us.

a) We did not audit the financial statements / financial information of 1 foreign subsidiary, whose financial statements / financial information reflect total assets of ₹ 8,987.39 Lakhs as at 31 March 2026, and total revenues of ₹ 7,180.16 Lakhs and total net profit after tax of ₹ 40.68 Lakhs and cash inflow (net) of ₹ 128.04 Lakhs for the year ended 31 March 2026 as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

b) We did not audit the financial statements / financial information of 1 subsidiary, whose financial statements / financial information reflect total assets of ₹ 45,474.83 Lakhs as at 31

March 2026, and total revenue from operations of ₹ 30,791.23 Lakhs and total net profit after tax of ₹ 2207.48 Lakhs and cash outflow (net) of ₹ 15.18 Lakhs for the year ended 31 March 2026 as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

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 with respect to our reliance on the work done and the reports of the other auditors for the purpose of preparation of these consolidated financial statements.

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 subsidiaries, as noted in the 'other matter' paragraph, 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.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with respective underlying books of accounts of holding company and its subsidiaries maintained for the purpose of preparation of the consolidated financial statements maintained 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 31 March 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph, we report, to the extent applicable, that:

      i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer note no. 30 to the consolidated financial statements.

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, to the extent applicable.

iv. (a) The Management of the Holding Company and its subsidiaries 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 subsidiaries that, to the best of their knowledge and belief, other than as disclosed in note no. 40(g) to the consolidated financial statements, no funds 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 its subsidiaries, to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Management of the Holding Company and its subsidiaries 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 subsidiaries that, to the best of their knowledge and belief, other than as disclosed in note no. 40(i) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, to or in any other person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies 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. As stated in note no 11.6 to the consolidated financial statements,

(a) The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

(b) The Holding Company has not proposed final dividend in the previous year; hence Section 123 of the Act, is not applicable in this regard.

vi. Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023.

Based on our examination which included test checks, the Holding Company and its Indian subsidiaries have used accounting softwares for maintaining books of account which have a feature of recording audit trail (edit log) facility. However, in the absence of any control report showing operations of audit trail feature throughout the year, we are unable to comment on the same. Further, the feature of recording audit trail was not enabled at the application layer of the accounting software used for maintaining general ledgers for master fields and database level to log any direct changes for the accounting software used for maintaining the books of accounts.

In addition, in the absence of any control reports showing the records of any instances of tampering of the audit trail feature and preservation of such audit trail (edit logs) as mentioned above, we are unable to comment whether the audit trail feature has been tampered with and whether the same has been preserved.

Based on the report of one of the component auditors, we note that the said subsidiary has used accounting software for maintaining their respective books of account for the financial year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility. Further, based on the reports of said component auditor, the audit trail facility was enabled and operated effectively throughout the year for all relevant transactions recorded in the accounting software, and the audit trail has been preserved by the respective entities as per the statutory requirements for record retention prescribed under the Companies (Accounts) Rules, 2014, as amended.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 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 reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Gokhale & Sathe,
Chartered Accountants,
ICAI Firm Registration No.: - 103264W

Ravindra More
Partner
ICAI Membership No.: - 153666
UDIN: - 26153666PJHUPM8804

Date: - 15 May 2026
Place: - Mumbai

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Drugs Limited of even date)

Report on the Internal Financial Controls under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

OPINION

We have audited internal financial controls with reference to consolidated financial statements of Aarti Drugs Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (together referred to as "the Group") as of 31 March 2026 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

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, as referred to in the Other Matters paragraph, the Holding Company and its subsidiaries, which are incorporated in India, have, in all material respects, an adequate internal financial and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the Holding 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.

MANAGEMENTS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Holding 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company'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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements include 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 obtained by us and other auditors 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 Company'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 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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the 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 control 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 reports under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of internal financial controls with reference to financial statements, insofar as they relate to the financial statements of subsidiary companies, which are companies incorporated in India, are based on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of this matter.

For Gokhale & Sathe,
Chartered Accountants,
ICAI Firm Registration No.: - 103264W

Ravindra More
Partner
ICAI Membership No.: - 153666
UDIN: - 26153666PJHUPM8804

Date: - 15 May 2026
Place: - Mumbai

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2026

CIN :L37060MH1984PLC055433

(₹ in lakhs)

Particulars	Note No	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non - Current Assets			
Property, Plan and Equipment	1	106,827.42	85,625.48
Right of use Assets	1.2	169.75	270.28
Capital work - in - progress	1.3	12,147.41	27,414.57
Intangible Assets	1.4	1,642.93	714.99
Intangible Assets under development	1.5	9,233.81	5,603.80
Financial Assets			
(i) Investments	2	2,731.12	2,241.27
Other Non- Current Assets	3	1,996.62	1,761.93
Total Non- Current Assets		**134,749.06**	**123,632.32**
Current Assets			
Inventories	4	49,078.08	47,292.83
Financial Assets			
(i) Trade Receivable	5	82,986.78	75,117.58
(ii) Cash and Cash Equivalents	6	726.89	457.72
(iii) Bank Balances Other than (ii) above	7	154.06	298.35
(iv) Loan	8	70.30	75.77
(v) Other Financial Assets	9	1,547.27	1,505.34
Current Tax Assets (Net)	21.1	-	1,000.13
Other current assets	10	12,213.99	8,087.77
Total Current Assets		**146,777.36**	**133,835.50**
TOTAL ASSETS		**281,526.42**	**257,467.82**
EQUITY AND LIABILITIES			
Equity			
Share Capital	11	9,127.00	9,127.00
Other Equity	12	145,759.10	127,772.85
Total Equity Attributable to Equity Share Owners of the Company		**154,886.10**	**136,899.85**
Non- Controlling Interests		**36.46**	**34.43**
Total Equity		**154,922.56**	**136,934.28**
Liabilities			
Non current liabilities			
Financial Liabilities			
(i) Borrowings	13	25,686.98	28,400.01
(ii) Lease Liabilities		85.99	165.06
(ii) Other financial liabilities	14	23.16	16.01
Provisions	15	455.50	432.50
Deferred tax liability (Net)	16	8,126.64	7,823.28
Total of Non current liabilities		**34,378.28**	**36,836.86**
Current liabilities			
Financial Liabilities			
(i) Borrowings	17	31,795.62	32,824.25
(ii) Lease Liabilities		94.65	117.75
(iii) Trade Payables	18		
(a) Total outstanding dues of micro and small enterprises		2,408.66	1,180.28
(b) Total outstanding dues of other than micro and small enterprises		45,379.29	40,433.73
(iv) Other Financial Liabilities	19	2,280.00	2,022.96
Other current liabilities	20	8,740.10	6,688.74
Provisions	21	812.44	428.96
Current Tax Liabilities (Net)	21.1	714.82	-
		92,225.59	**83,696.68**
TOTAL EQUITY AND LIABILITIES		**281,526.42**	**257,467.82**
Summary of Material Accounting Policies and Other Explanatory Information	**29-46**		

AS PER OUR REPORT OF EVEN DATE.
For GOKHALE & SATHE
Chartered Accountants
Firm Registration No.: 103264W

Sd/-
CA Ravindra More
(Partner)
Membership No. 153666

Place: Mumbai
Date: May 15, 2026

For and on Behalf of the Board of Directors of Aarti Drugs Limited

Sd/-
Prakash M. Patil
(Chairman, Managing Director & CEO)
DIN : 00005618

Sd/-
Adhish P Patil
(Chief Financial Officer)

Sd/-
Harshit M. Savla
(Jt. Managing Director)
DIN : 00005340

Sd/-
CS Rushikesh Deole
(Company Secretary)
ICSI M.NO.F12932

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2026

CIN :L37060MH1984PLC055433

(₹ in lakhs)

	Particulars	Note No	Year Ended March 31, 2026	Year Ended March 31, 2025
I	**Revenue from Operations**	22	256,531.12	238,703.03
II	Other Income	23	238.92	1,636.04
III	**Total Revenue (I + II)**		**256,770.04**	**240,339.07**
IV	**Expenses :**			
	(a) Cost of materials consumed	24	150,401.39	143,384.20
	(b Purchase of stock-in-trade		11,508.43	8,434.21
	(c) Changes in inventories of finished goods,work-in-progress and Stock- in - Trade	24.1	(36.79)	1,946.11
	(d) Employee Benefits Expense	25	12,931.70	11,209.84
	(e) Finance cost (Interest)	26	3,371.47	3,587.27
	(f) Depreciation and Amortisation Expense	27	6,697.07	5,577.68
	(g) Other Expenses	28	50,806.59	45,022.63
	Total Expenses (IV)		**235,679.86**	**219,161.93**
V	**Profit before exceptional items and tax (III - IV)**		**21,090.19**	**21,177.14**
VI	Exceptional Items		-	-
VII	**Profit/(Loss) before tax (V - VI)**		**21,090.19**	**21,177.14**
VIII	**Tax Expenses :**			
	Provision for Taxation - Current Year		4,454.60	5,173.58
	- Earlier Year		(3,126.95)	(1,056.17)
	Provision for Deferred Tax		268.76	250.03
	Total tax expenses (VIII)		**1,596.41**	**4,367.44**
IX	**Profit / (Loss) for the period (IX - XII)**		**19,493.78**	**16,809.70**
X	**Other Comprehensive Income(Net of Tax)**			
	Item that will not to be reclassified to statement of Profit and Loss			
	Fair value changes on Investments		334.42	243.86
	Remeasurement of defined benefit Liability/Assets		(31.94)	(144.56)
	Foreign currency translation reserve		52.02	62.39
	Income tax relating to items that will not be reclassified to profit or loss			
	Fair value changes on Investments		(47.82)	(34.87)
	Remeasurement of defined benefit Liability/Assets		13.22	32.32
	Total Other Comprehensive Income,net		**319.90**	**159.15**
XI	**Total Comprehensive Income for the Year (IX+X)**		19,813.68	16,968.85
XVI	**Profit attributable to :**			
	Owner of the Company		19,491.74	16,815.85
	Non- Controlling Interest		2.03	(6.15)
XVI	**Total Comprehensive Income attributable to :**			
	Owner of the Company		19,809.04	16,971.89
	Non- Controlling Interest		4.63	(3.03)
	Earnings per Equity Shares (EPS) (In ₹)	29		
	Basic		21.36	18.35
	Diluted		21.36	18.35
	Summary of Material Accounting Policies and Other Explanatory Information	**29-46**		

AS PER OUR REPORT OF EVEN DATE.
For GOKHALE & SATHE
Chartered Accountants
Firm Registration No.: 103264W

Sd/-
CA Ravindra More
(Partner)
Membership No. 153666

Place: Mumbai
Date: May 15, 2026

For and on Behalf of the Board of Directors of Aarti Drugs Limited

Sd/-
Prakash M. Patil
(Chairman, Managing Director & CEO)
DIN : 00005618

Sd/-
Adhish P Patil
(Chief Financial Officer)

Sd/-
Harshit M. Savla
(Jt. Managing Director)
DIN : 00005340

Sd/-
CS Rushikesh Deole
(Company Secretary)
ICSI M.NO.F12932

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2026

CIN :L37060MH1984PLC055433

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 01, 2025	Changes in equity share capital due to prior period errors	Restated balance as at April 01,2025	Changes in equity share During Current Year	Balance as at March 31, 2026
9,127.00	-	-	-	9,127.00

(₹ in lakhs)

Balance as at April 01, 2024	Changes in equity share capital due to prior period errors	Restated balance as at April 1,2024	Changes in equity share During Current Year	Balance as at March 31, 2025
9,193.50	-	-	(66.50)	9,127.00

B. OTHER EQUITY

(₹ in lakhs)

Particulars	Other Equity					Other Comprehensive Income	Total Equity Attributable to Equity Holder of the Company	Non-Controlling Interest	Total Other Equity
	Reserve and Surplus								
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation reserve				
Balance as at April 1,2024	**628.27**	**428.48**	**1,489.04**	**1,15,524.84**	**(77.42)**	**968.14**	**1,18,961.35**	**40.58**	**1,19,001.92**
Transfer to Other Reserve from Retain Earning	-	-	1,573.15	(1,573.15)	-	-	-	-	-
Profit for the Year	-	-	-	16,815.85	-	-	16,815.85	(6.15)	16,809.70
Dividend Paid	-	-	-	(912.70)	-	-	(912.70)	-	(912.70)
Buyback of shars	-	66.50	(1,489.04)	(4,495.96)	-	-	(5,918.50)	-	(5,918.50)
Tax on Buyback	-	-	-	(1,332.30)	-	-	(1,332.30)	-	(1,332.30)
Fair value change on Investment, net	-	-	-	-	-	208.99	208.99	-	208.99
Remeasurment of defined benefit Liability/Assets, net	-	-	-	-		(112.24)	(112.24)	-	(112.24)
Foreign Currency Translation	-	-	-	-	62.40	-	62.40	-	62.40
Balance as at March 31, 2025	**628.27**	**494.98**	**1,573.15**	**1,24,026.59**	**(15.02)**	**1,064.89**	**1,27,772.85**	**34.43**	**1,27,807.28**
Transfer to Other Reserve from Retain Earning	-	-	1,692.21	(1,692.21)	-	-	-	-	-
Profit for the Year	-	-	-	19,491.74	-	-	19,491.74	2.03	19,493.78
Dividend Paid	-	-	-	(1,825.40)	-	-	(1,825.40)	-	(1,825.40)
Fair value change on Investment, net	-	-	-	-	-	286.60	286.60	-	286.60
Remeasurment of defined benefit Liability/Assets, net	-	-	-	-		(18.72)	(18.72)	-	(18.72)
Foreign Currency Translation	-	-	-	-	52.02	-	52.02	-	52.02
Balance as at March 31, 2026	**628.27**	**494.98**	**3,265.36**	**1,40,000.72**	**37.00**	**1,332.77**	**1,45,759.10**	**36.46**	**1,45,795.56**

Summary of Material Accounting Policies and Other Explanatory Information 29-46

AS PER OUR REPORT OF EVEN DATE.
For GOKHALE & SATHE
Chartered Accountants
Firm Registration No.: 103264W

Sd/-
CA Ravindra More
(Partner)
Membership No. 153666

Place: Mumbai
Date: May 15, 2026

For and on Behalf of the Board of Directors of Aarti Drugs Limited

Sd/-
Prakash M. Patil
(Chairman, Managing Director & CEO)
DIN : 00005618

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Sd/-
Adhish P Patil
(Chief Financial Officer)

Sd/-
CS Rushikesh Deole
(Company Secretary)
ICSI M.NO.F12932

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2026

CIN :L37060MH1984PLC055433

(₹ in lakhs)

S. No	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A.	**Cash Flow from Operating Activities**		
	Net Profit before Tax and Exceptional Items	21,090.19	21,177.14
	ADJUSTMENT FOR:		
	Depreciation & Amortisation	6,696.73	5,577.68
	Provision for Doubtful debts /Bad debts	366.12	372.22
	Unrealised Foreign Exchange (Gain)/Loss (Net)	(46.74)	25.10
	Interest Paid	3,371.47	3,587.27
	Interest Received	(116.78)	(1,219.91)
	(Gain)/Loss on Sale of Mutual fund	(2.34)	(27.06)
	Dividend Received	(0.05)	(1.29)
	Capex w/off	-	123.17
	Investment W/off	7.33	-
	Profit on Sale of Assets	(0.38)	(3.04)
	Operating Profit before Working Capital Changes	**31,365.54**	**29,611.28**
	(Increase) / Decrease in trade and other receivables	(7,000.03)	3,434.97
	(Increase) / Decrease in inventories	(1,785.25)	1,296.40
	(Increase) / Decrease in Trade & Other Payable	2,363.36	(4,372.58)
	Cash generated from operation	**24,943.62**	**29,970.07**
	Direct Taxes (Paid) / Refund Received	410.22	(5,511.69)
	Net Cash Flow from Operating Activities	**25,353.85**	**24,458.38**
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets / Capital Work in Progress/ Advances/R&D	(17,332.14)	(17,716.14)
	Sale of PPE	27.74	4.80
	Investments in others	(155.43)	-
	Gain/ (Loss) on Sale of Mutual fund	2.34	27.06
	Interest Received	116.78	1,219.91
	Dividend Received	0.05	1.29
	Net Cash Flow from Investing Activities	**(17,340.66)**	**(16,463.08)**
C.	Cash Flow from Financing Activities		
	Proceeds from Long Term Borrowings	4,303.45	7,024.00
	Repayment of Long Term Borrowings	(5,677.61)	(7,760.83)
	Proceeds/(Repayment) from Short Term Borrowings	(1,322.82)	4,092.39
	Buy Back of shares	-	(5,985.00)
	Buyback Tax Paid	-	(1,332.30)
	Dividend Paid	(1,817.11)	(906.06)
	Interest Paid	(3,230.26)	(3,344.04)
	Net Cash Flow from Financing Activities	**(7,744.35)**	**(8,211.85)**
	Net Increase in Cash and Cash Equivalents (A+B+C)	**268.83**	**(216.54)**
	Opening Cash and Cash Equivalents	**457.72**	**674.27**
	Closing Cash and Cash Equivalents	**726.56**	**457.72**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

S. No	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Reconciliations of Cash and Cash Equivalents		
	Balance with Banks	437.10	146.71
	Cash in Hand	30.05	19.09
	Cheques in Hand	259.74	291.92
	Balance as per Cash Flows Statement (Note No : 6)	**726.89**	**457.72**

Notes:

(i) Figures in brackets indicate outflows.

(ii) Fixed Deposits with bank amounting to **₹ 88.83 lakhs** (previous year ₹ 241.41 lakhs) under lien are considered as Bank Balances Other than above.(Refer Note No: 7)

(iii) Previous year figures have been regrouped/ rearranged/reclassified to confirm to the current years presentation wherever necessary.(Refer Note no: 29-46)

(iv) The above statement of Cash Flow be read in conjunction with the accompanying notes.

(v) The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.

AS PER OUR REPORT OF EVEN DATE.
For GOKHALE & SATHE
Chartered Accountants
Firm Registration No.: 103264W

Sd/-
CA Ravindra More
(Partner)
Membership No. 153666

Place: Mumbai
Date: May 15, 2026

For and on Behalf of the Board of Directors of Aarti Drugs Limited

Sd/-
Prakash M. Patil
(Chairman, Managing Director & CEO)
DIN : 00005618

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Adhish P Patil
(Chief Financial Officer)

Sd/-
CS Rushikesh Deole
(Company Secretary)
ICSI M.NO.F12932

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

NOTE NO. 1- PROPERTY, PLANT AND EQUIPMENTS

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on April 01, 2025	Additions	Deductions	As on March 31, 2026	As on April 01, 2025	Additions	Deductions	As on March 31, 2026	As on March 31, 2026	As on March 31, 2025
TANGIBLES ASSETS										
BUILDING	24,187.84	5,425.99	-	29,613.83	7,653.95	875.36	-	8,529.31	21,084.52	16,533.89
FURNITURE	1,805.27	71.09	-	1,876.36	996.66	103.62	-	1,100.28	776.08	808.61
LAND	9,481.09	-	-	9,481.09	200.87	101.36	-	302.22	9,178.86	9,280.22
OFFICE EQUIPMENTS	344.64	56.14	-	400.78	256.79	25.74	-	282.53	118.25	87.85
PLANT & MACHINERY	1,11,770.95	21,713.51	7.51	1,33,476.95	53,127.56	5,025.35	3.34	58,149.57	75,327.38	58,643.39
VEHICLES	712.63	171.41	94.11	789.93	441.11	77.41	70.92	447.60	342.33	271.52
TOTAL	**1,48,302.41**	**27,438.14**	**101.62**	**1,75,638.94**	**62,676.93**	**6,208.84**	**74.26**	**68,811.51**	**1,06,827.42**	**85,625.48**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on April 01,2024	Additions	Deductions	As on March 31, 2025	As on April 01,2024	Additions	Deductions	As on March 31, 2025	As on March 31, 2025	As on March 31,2024
TANGIBLES ASSETS										
BUILDING	22,571.36	1,616.48	-	24,187.84	6,910.83	743.12	-	7,653.95	16,533.89	15,660.53
FURNITURE	1,549.04	256.23	-	1,805.27	907.07	89.59	-	996.66	808.61	641.98
LAND	9,376.65	104.44	-	9,481.09	100.30	100.56	-	200.87	9,280.22	9,276.35
OFFICE EQUIPMENTS	287.49	57.15	-	344.64	243.51	13.28	-	256.79	87.85	43.98
PLANT & MACHINERY	1,03,787.93	8,028.25	45.24	1,11,770.95	48,887.77	4,282.77	42.98	53,127.56	58,643.39	54,900.16
VEHICLES	703.49	46.28	37.14	712.63	410.61	66.78	36.28	441.11	271.52	292.88
TOTAL	**1,38,275.96**	**11,082.71**	**82.38**	**1,48,302.41**	**57,460.08**	**5,296.11**	**79.25**	**62,676.93**	**85,625.48**	**80,815.88**

Note :

1. Plant & Machinery addition includes Capital Expenditure incurred on R & D of **₹ 5097.07 lakhs** (previous year ₹3235.96 lakhs)
2. Note :Borrowing cost is capitalised during the year of **₹ 902.98 lakhs** (Previous Year ₹ 1278.80 lakhs)
3. Property, Plant and Equipment pledged as Security – Refer Note No. 38(ai) for information on Property, Plant and Equipment pledged as security.
4. The Compnay has not revalued its Property,Plant and Equipment during year.
5. Refer Note No: 31 for R& D Capital Expenditures.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO. 1.1 - DETAILS OF TITLE DEED NOT HELD IN THE NAME OF COMPANY

Particulars	Description of item of property	Gross carrying value (₹ in lakhs)	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
Property Plant and Equipments	Land - E 106	0.74	Effective Chemical Pvt Ltd	No	February 26, 1988
Property Plant and Equipments	Land - E 105	0.80	Rupal Chemicals	No	June 27, 1986
Property Plant and Equipments	Land - S 34	1.87	Star Aluminium Industries	No	November 06, 1982
Property Plant and Equipments	Land - S 33	1.71	Avez Wire Industries Pvt Ltd.	No	June 11, 1993

Reason for not being held in the name of Company : Leaseholds land are in the name of erstwhile entities, which were merged with the Company through the court scheme. Leasehold rights are deemed to be transferred to the Company.

NOTE NO. 1.2 - RIGHT OF USE ASSETS/LEASE LIABILITY

Changes in the carrying value of right of use assets (Building and Plant & Machinery)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Plant & Machinery :		
Opening Balance	154.69	175.05
Additions during the year	19.18	94.66
Amortisation	(78.76)	(115.02)
Closing Balance	95.11	154.69
Building :		
Opening Balance	115.59	-
Additions during the year	0.53	123.83
Amortisation	(41.48)	(8.24)
Closing Balance	74.64	115.59
Total	**169.75**	**270.28**

Note :

1. The Company has not revalued its Right-of-use assets.
2. Weighted average incremental borrowing rate @9.50%p.a.has been applied for calculation of lease liability

Movement in lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	282.81	186.35
Finance cost accrued during the year	28.22	246.52
Payment of lease liabilities	(130.39)	(150.06)
Closing Balance	**180.64**	**282.81**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Break Up of current and Non current lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liabilities	94.65	117.75
Non- current lease liabilities	85.99	165.06
Total	**180.64**	**282.81**

(₹ in lakhs)

	Amount in Movement in lease liabilities		Total
	Less than 1yr	1-5 yrs	
As at March 31, 2026			
Current lease liabilities	94.65	-	94.65
Non- current lease liabilities	-	85.99	85.99
Total	**94.65**	**85.99**	**180.64**
As at March 31, 2025			
Current lease liabilities	117.75	-	117.75
Non- current lease liabilities	-	165.06	165.06
Total	**117.75**	**165.06**	**282.81**

The following is a summary of future minimum lease rental commitments towards finance leases

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Minimum lease commitments	Present value of minimum lease commitments	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	107.55	94.64	139.26	117.74
Due in a period between one year and five years	97.34	86.00	182.39	165.06
Total minimum lease commitments	**204.89**	**180.64**	**321.66**	**282.81**
Less : interest	(24.25)	-	(38.85)	-
Present value of minimum lease commitments	**180.64**	-	**282.81**	-

NOTE NO. 1.3 - CAPITAL WORK IN PROGRESS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	27,414.57	22,522.67
Capitalised	(27,487.11)	(9,470.23)
Additions during the year	12,219.95	14,362.13
Closing Balance	**12,147.41**	**27,414.57**

CWIP Ageing Schedule:

(₹ in lakhs)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
As at March 31, 2026					
Project in progress :	7,694.01	2,874.37	200.33	1,378.69	12,147.41
Projects Temporarily Suspended :	-	-	-	-	-
Total	**7,694.01**	**2,874.37**	**200.33**	**1,378.69**	**12,147.41**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
As at March 31, 2025					
Project in progress :	10,776.23	9,257.29	5,539.27	1,841.78	27,414.57
Projects Temporarily Suspended :	-	-	-	-	-
Total	**10,776.23**	**9,257.29**	**5,539.27**	**1,841.78**	**27,414.57**

Note :

1. There is no CWIP which has exceeded the approved budget or initial plan.

NOTE NO.1.4: INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) PROCESS DEVELOPMENT (R & D)		
Opening Balance	673.86	64.28
Additions during the year	1,239.88	740.57
Amortisation/Deletion	(339.16)	(130.98)
Closing Balance	1,574.58	673.86
(b) COMPUTER SOFTWARE		
Opening Balance	41.12	53.61
Additions during the year	56.05	14.82
Amortisation/Deletion	(28.82)	(27.32)
Closing Balance	68.34	41.12
Total (a+b)	**1,642.93**	**714.99**

Note :

1. The Group has not revalued its Intangible assets during year.

NOTE NO.1.5: INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	5,603.80	3,564.53
Capitalised	(1,151.32)	3,034.03
Additions during the year	4,781.33	(994.77)
Closing Balance	**9,233.81**	**5,603.80**

Intangible Assets Under Development Ageing Schedule:

(₹ in lakhs)

	Amount in under development for a period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
As at March 31, 2026					
Intangible Assets under development:	4,781.34	2,779.83	1,210.54	462.10	9,233.81
Total	**4,781.34**	**2,779.83**	**1,210.54**	**462.10**	**9,233.81**
As at March 31, 2025					
Intangible Assets under development:	2,779.83	1,210.54	951.74	661.69	5,603.80
Total	**2,779.83**	**1,210.54**	**951.74**	**661.69**	**5,603.80**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 2 - NON CURRENT INVESTMENTS

(₹ in lakhs)

Name of the Company	No. of Shares/ Units	Face Value ₹	As at March 31, 2026 (₹ in lakhs)	No. of Shares/ Units	Face Value ₹	As at March 31, 2025 (₹ in lakhs)
Investments - (Unquoted) in Equity						
Shares of Other Companies (Valued at FVTOCI)						
Perfect Enviro Control Systems Ltd.	2,40,200	10/-	21.51	2,40,200	10/-	20.49
The Shamrao Vitthal Co- op Bank Ltd.	100	25/-	0.03	100	25/-	0.03
The Saraswat Co - op Bank Ltd.	10,100	10/-	1.01	10,100	10/-	1.01
Shivalik Solid Waste Management Ltd	2,500	20/-	0.50	2,500	20/-	0.50
Tarapur Environment Protection Society	68,188	100/-	89.40	68,188	100/-	89.73
Pro-Zeal Green Power Nine Pvt Ltd	63,000	10/-	6.30	-	-	-
Pro-Zeal Green Power Six Pvt Ltd	63,000	10/-	6.30	-	-	-
Aarti Biotech Ltd.	1,200	10/-	0.04	1,200	10/-	0.04
Huanggang Yinhe Aarti Pharmaceutical Co. Ltd. #	234	*10000/-	2,463.21	234	*10000/-	2,129.48
Investment- Debenture						
Pro-Zeal Green Power Six Pvt Ltd	14,283	1000/-	142.83	-	-	-
TOTAL			**2,731.12**			**2,241.27**
Aggregate amount of unquoted investments			**2,731.12**			**2,241.27**

*Face Value of 1 share = 10000 RMB

Although the Holding Company held more than 20% of the voting shares, but does not exercise significant influence over the investee and does not possess any contractual or other rights conferring Significant influence as defined under Ind AS 28. Accordingly, the investment has not been classified as an associate.

Note:

1. During the year under review, the Holding Company invested ₹ 6.30 Lakhs in the equity share capital of Pro-zeal Green Power Nine Private Limited by subscribing to 63,000 Equity Shares of ₹ 10 each, representing 26.25% of its total share capital, pursuant to the Share Subscription and Shareholders' Agreement entered into for developing, constructing, operating and maintaining a solar power plant for captive consumption of electricity by the factories of the Company located in Maharashtra. Further, pursuant to the aforesaid agreements, the Company is required to invest an aggregate amount of ₹ 798.90 Lakhs by way of subscription to 79,890 Compulsorily Convertible Debentures (CCDs) of face value of ₹ 1,000 each, in various tranches, subject to the achievement of specified milestones relating to the development of the power project.

2. During the year under review, the Holding Company invested ₹ 6.30 Lakhs in the equity share capital of Pro-zeal Green Power Six Private Limited by subscribing to 63,000 Equity Shares of ₹ 10 each, representing 26.25% of its total share capital, pursuant to the Share Subscription and Shareholders' Agreement entered into for developing, constructing, operating and maintaining a solar power plant for captive consumption of electricity by the factories of the Company located in Gujarat. Further, pursuant to the aforesaid agreements, the Company is required to invest an aggregate amount of ₹ 158.70 Lakhs by way of subscription to 15,870 Compulsorily Convertible Debentures (CCDs) of face value of ₹ 1,000 each, in various tranches, subject to the achievement of specified milestones relating to the development of the power project. Against this commitment, as at March 31, 2026, the Company had invested ₹ 151.18 Lakhs by subscribing to 15,118 CCDs. The remaining ₹ 7.52 Lakhs will be invested upon achieving specific milestones pursuant to the aforesaid agreements.

3. The Company holds a 26% equity interest in Pro-Zeal Green Power Nine Private Limited and Pro-Zeal Green Power Six Private Limited, both of which are private companies. Despite holding more than 20% of the equity share capital, the Company does not have any representation on the board of directors, nor does it participate in financial or operating policy decisions of these investees. Further, the Company does not possess any contractual or other rights that would

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

confer significant influence, as defined under Ind AS 28 – Investments in Associates and Joint Ventures.Accordingly, these investments have not been classified as associates. In line with the requirements of Ind AS 109 – Financial Instruments, the investments are classified as equity instruments measured at cost, given that these are unquoted shares for which fair value cannot be measured reliably.

NOTE NO 3: OTHER NON- CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered Good		
Capital Advances	1,928.29	1,680.26
Deposits	68.33	81.68
TOTAL	**1,996.62**	**1,761.93**

NOTE NO 4: INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw Materials (incl. In- transit stock)	18,786.76	17,712.78
Packing Materials	654.83	502.64
Work in process	14,124.60	11,679.07
Finished Goods (incl. In- transit stock)	10,389.75	12,798.49
Stores & Spares	1,987.79	1,542.09
Stock in Trade	3,134.34	3,057.76
TOTAL	**49,078.08**	**47,292.83**

Note :

1. Mode of valuation of Inventories – Refer note 1.5 of Significant Accounting Policies
2. Refer Note no. 38b for information on Inventories pledged as security by the Group

NOTE NO 5: TRADE RECEIVABLE

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
- considered good	82,986.78	75,117.58
- considered doubtful	934.30	558.79
	83,921.08	**75,676.37**
Less: Provision for Doubtful Debts	(934.30)	(558.79)
TOTAL	**82,986.78**	**75,117.58**

Note :

1. Refer note no. 38b for information on Trade Receivables pledged as security by the Group.
2. Above balances of trade receivables include balances with certain related parties (Refer Note No. 33g)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Ageing of trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2026					
	Outstanding for following periods from invoice date					
	Less than 6 m	6 m to 1 year	1-2 year	2-3 year	More Than 3 year	Total
Undisputed Trade Receivable-Considered Good	70,183.23	3,917.55	8,057.79	273.45	554.74	82,986.78
Undisputed Trade Receivable-Credit impaired	36.15	7.92	32.31	101.61	672.17	850.15
Disputed Trade Receivable-Credit impaired	-	-	-	-	84.15	84.15
Net Trade Receivables	**70,219.38**	**3,925.47**	**8,090.10**	**375.06**	**1,311.06**	**83,921.08**
Less: Allowanace for Credit Loss	(36.15)	(7.92)	(32.31)	(101.61)	(756.32)	(934.31)
Net Trade Receivables	**70,183.23**	**3,917.55**	**8,057.79**	**273.45**	**554.74**	**82,986.78**

Ageing of trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2025					
	Outstanding for following periods from invoice date					
	Less than 6 m	6m to 1 year	1-2 year	2-3 year	More Than 3 year	Total
Undisputed Trade Receivable-Considered Good	72,364.76	1,459.06	445.18	389.40	459.18	75,117.58
Undisputed Trade Receivable-Credit impaired	-	-	-	-	439.27	439.27
Disputed Trade Receivable-Credit impaired	-	-	57.17	42.89	19.46	119.52
Net Trade Receivables	**72,364.76**	**1,459.06**	**502.35**	**432.29**	**917.91**	**75,676.37**
Less: Allowanace for Credit Loss	-	-	(57.17)	(42.89)	(458.73)	(558.79)
Net Trade Receivables	**72,364.76**	**1,459.06**	**445.18**	**389.40**	**459.18**	**75,117.58**

NOTE NO 6: CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with Scheduled Banks :		
- Current Accounts	448.08	157.70
Less : Expected credit loss	(10.99)	(10.99)
Cheques on Hand	259.74	291.92
Cash on Hand	30.05	19.09
TOTAL	**726.89**	**457.72**

Note : There are no other repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 7: BANK BALANCES OTHER THAN ABOVE

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance in Deposit Accounts	88.83	241.41
Earmarked balance - unpaid dividend	65.23	56.94
TOTAL	**154.06**	**298.35**

Note : The amount due and outstanding to be credited to Investor Education Protection Fund during the year, is transferred by the Group within stipulated time.

NOTE NO 8: LOAN

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, Considered Good		
Loans & Advances - Employees & others	70.30	75.77
TOTAL	**70.30**	**75.77**

Note : There are no loans which have significant increase in credit risk and which are credit impaired

NOTE NO 9: OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security Deposits	1,502.32	1,458.20
Insurance claim receivable	44.95	47.15
TOTAL	**1,547.27**	**1,505.34**

NOTE NO 10: OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Advances recoverable	1,302.37	1,521.83
Prepaid Expenses	341.08	345.09
Other Recoverable	2,225.35	834.78
Balances with Statutory/ Govt. Authority	8,345.20	5,386.06
TOTAL	**12,213.99**	**8,087.77**

NOTE NO 11 : EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	No. of Shares	As at March 31, 2026	No. of Shares	As at March 31, 2025
Authorised Share Capital				
Equity shares of ₹ 10/- each	12,00,00,000	12,000.00	12,00,00,000	12,000.00
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid up	9,12,70,000	9,127.00	9,12,70,000	9,127.00
		9,127.00		**9,127.00**

Note No 11.1 : Right Attached to Equity Shares

The holding company has only one class of equity shares with voting rights having a par value of rs.10/- per share. The holding company declares and pays dividends in Indian Rupees. Any Interim dividend paid is recognised on the approval by the Board of Directors.

In the event of liquidation of the holding Company, the holders of equity shares will be entitled to receive remaining assets of the holding company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Note No.11.2 :The details of Equity Shares outstanding during last 5 years with respect to aggregate number of shares brought back.

(₹ in lakhs)

No. of Equity shares outstanding	Financial Year				
	FY 2025-26	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22
Equity Shares at the beginning of the year	912.70	919.35	926.00	926.00	932.00
Buyback of Shares	-	(6.65)	(6.65)	-	(6.00)
Equity shares at the end of the year	912.70	912.70	919.35	926.00	926.00

Note No.11.3 : Notes on Issued, Subscribed and Paid up Equity Share Capital

(a) During the Financial 2024-25, the holding company has completed buyback of 6,65,000 equity shares of face value ₹10/- each at a price of ₹900/- per share on September 24, 2024.The number of shares post buyback stands reduced to 9,12,70,000 of ₹10/- each. Accordingly the paid up capital also stands reduced to ₹9127 lakhs.

(b) During the Financial 2023-24, the holding company has completed buyback of 6,65,000 equity shares of face value ₹10/- each at a price of ₹900/- per share on August 24, 2023.The number of shares post buyback stands reduced to 9,19,35,000 of ₹10/- each. Accordingly the paid up capital also stands reduced to ₹9193.5 lakhs.

(c) During the Financial 2021-22, the holding company has completed buyback of 6,00,000 equity shares of face value ₹10/- each at a price of ₹1000/- per share on May 25, 2021.The number of shares post buyback stands reduced to 9,26,00,000 of ₹10/- each. Accordingly the paid up capital also stands reduced to ₹9260 lakhs.

Note No 11.4 : Details of shareholders holding more than 5% shares

(₹ in lakhs)

Name of the shareholders	As at March 31, 2026		As at March 31, 2025		As at March 31,2024	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Prakash M Patil	87,83,869	9.62	85,04,913	9.32	84,93,205	9.24
DSP Small Cap Fund	73,10,185	8.01	65,03,593	7.13	46,15,950	5.02

Note No 11.5 : Disclosures of shareholding of Promoters

Promoter Name	As at March 31, 2026		As at March 31, 2025		Change in percentage of shareholding from 31.03.2025 to 31.03.2026	As at March 31, 2024		Change in percentage of shareholding from 31.03.2024 to 31.03.2025
	No of Shares	% held	No of Shares	% held		No of Shares	% held	
Chandrakant Vallabhaji Gogri	17,10,097	1.87	17,10,097	1.87	0.00	17,23,444	1.87	0.00
Prakash Moreshwar Patil	87,83,869	9.62	85,04,913	9.32	0.31	84,93,205	9.24	0.08
Rajendra Vallabhaji Gogri	1,01,022	0.11	1,01,022	0.11	0.00	4,75,089	0.52	(0.41)
Harshit Manilal Savla	43,23,269	4.74	43,23,269	4.74	0.00	43,57,019	4.74	0.00
Arti Rajendra Gogri	1,37,781	0.15	1,37,781	0.15	0.00	2,01,964	0.22	(0.07)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Promoter Name	As at March 31, 2026		As at March 31, 2025		Change in percentage of shareholding from 31.03.2025 to 31.03.2026	As at March 31, 2024		Change in percentage of shareholding from 31.03.2024 to 31.03.2025
	No of Shares	% held	No of Shares	% held		No of Shares	% held	
Jaya Chandrakant Gogri	15,64,023	1.71	15,64,023	1.71	0.00	15,76,230	1.71	0.00
Rashesh Chandrakant Gogri	42,38,874	4.64	42,38,874	4.64	0.00	42,71,964	4.65	0.00
Hetal Gogri Gala	27,87,240	3.05	27,87,240	3.05	0.00	28,08,997	3.06	0.00
Manisha Rashesh Gogri	1,86,763	0.20	1,86,763	0.20	0.00	1,88,220	0.20	0.00
Aarnav Rashesh Gogri	1,86,365	0.20	1,86,365	0.20	0.00	1,87,820	0.20	0.00
Aashay Rashesh Gogri	8,75,891	0.96	8,75,891	0.96	0.00	8,82,728	0.96	0.00
Renil Rajendra Gogri	5,97,957	0.66	5,97,957	0.66	0.00	11,48,442	1.25	(0.59)
Mirik Rajendra Gogri	6,41,814	0.70	6,41,814	0.70	0.00	12,05,222	1.31	(0.61)
Indira Madan Dedhia	1,91,444	0.21	1,93,444	0.21	0.00	1,94,952	0.21	0.00
Priti Prakash Patil	40,16,315	4.40	40,16,315	4.40	0.00	40,47,669	4.40	0.00
Adhish Prakash Patil	11,41,079	1.25	11,41,079	1.25	0.00	11,41,217	1.24	0.01
Prakash M. Patil (HUF)	1,61,557	0.18	1,61,557	0.18	0.00	1,62,818	0.18	0.00
Uday Moreshwar Patil	50,252	0.06	50,252	0.06	0.00	50,637	0.06	0.00
Arun Moreshwar Patil	72,864	0.08	72,864	0.08	0.00	73,432	0.08	0.00
Vikas Moreshwar Patil	34,143	0.04	34,143	0.04	0.00	34,409	0.04	0.00
Kalika Amit Mishra	25,164	0.03	25,164	0.03	0.00	25,360	0.03	0.00
Arati Tushar Sankhe	1,72,702	0.19	1,72,702	0.19	0.00	1,75,691	0.19	0.00
Seema Harshit Savla	35,02,175	3.84	35,02,175	3.84	0.00	35,29,511	3.84	0.00
Vishwa Harshit Savla	9,39,907	1.03	9,39,907	1.03	0.00	9,47,243	1.03	0.00
Bhoomi Harshit Savla	9,95,164	1.09	9,95,164	1.09	0.00	10,02,932	1.09	0.00
Harshit M. Savla (HUF)	5,866	0.01	5,866	0.01	0.00	5,911	0.01	0.00
Jay Manilal Savla	2,32,060	0.25	2,42,060	0.27	(0.01)	2,71,195	0.29	(0.03)
Kenisha Savla	0	-	10,817	0.01	(0.01)	16,924	0.02	(0.01)
Hriman Savla	0	-	10,817	0.01	(0.01)	16,924	0.02	(0.01)
Jigna Hiren Shah	4,52,597	0.50	4,52,597	0.50	0.00	4,56,130	0.50	0.00
Aashyav Business Trust (Alabhya Trusteeship Private Limited)	13,68,429	1.50	13,68,429	1.50	0.00	13,79,112	1.50	0.00
Paridhi Business Trust (Saswat Trusteeship Private Limited)	5,86,471	0.64	5,86,471	0.64	0.00	5,91,049	0.64	0.00
Gogri Finserv Pvt. Ltd.	34,63,971	3.80	34,63,971	3.80	0.00	34,91,012	3.80	0.00
Anushakti Enterprise Private Limited	23,92,696	2.62	23,92,696	2.62	0.00	24,11,374	2.62	0.00
Tulip Family Trust (Gloire Trusteeship Services Private Limited)	6,74,636	0.74	9,18,806	1.01	(0.27)	9,25,977	1.01	0.00
Orchid Family Trust (Relacion Trusteeship Services Private Limited)	6,71,769	0.74	9,07,077	0.99	(0.26)	9,14,157	0.99	0.00
Alchemie Finserv Pvt. Ltd.	20,13,410	2.21	20,13,410	2.21	0.00	20,29,127	2.21	0.00
Safechem Enterprises Private Limited	3,83,132	0.42	5,58,745	0.61	(0.19)	5,63,105	0.61	0.00
Aarti Life Science LLP	13,369	0.01	13,369	0.01	0.00	13,473	0.01	0.00
Dilesh Roadlines Pvt Ltd	4,88,730	0.54	4,88,730	0.54	0.00	4,92,545	0.54	0.00
Alchemie Financial Services Limited	38,544	0.04	38,544	0.04	0.00	38,845	0.04	0.00
Aarti Industries Limited	0	-	0	-	0.00	0	-	0.00
Total	**5,02,23,411**		**5,06,33,180**		**(0.45)**	**5,25,23,075**		**(1.65)**

Note No 11.6 : Dividends:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Dividend paid during the year		
Final dividend for the year ended 31st March 2025 of ₹ 0 (previous year: ₹ 0) per fully paid share	0	0
Interim Dividend for 2025-26 of ₹ 2/- (previous year: ₹ 1/-) per fully paid share	1,825.40	912.70
(ii) Dividends not recognised at the end of the reporting period	**0**	**0**

NOTE NO 12: OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital Reserve	628.27	628.27
Capital Redemption Reserve	494.98	494.98
General Reserve	3,265.36	1,573.15
Retained Earnings	1,40,000.72	1,24,026.59
Foreign Currency Translation reserve	37.00	(15.02)
Other Comprehensive Income	1,332.77	1,064.89
TOTAL	**1,45,759.10**	**1,27,772.85**
Non- Controlling Interest	36.46	34.43
TOTAL	**1,45,795.56**	**1,27,807.28**

i) Capital Reserve

Particulars	March 31, 2026	March 31, 2025
Opening Balance	628.27	628.27
Additions	-	-
Closing Balance	628.27	628.27

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

ii) Capital Redemption Reserve

Particulars	March 31, 2026	March 31, 2025
Opening Balance	494.98	428.48
Additions : Buyback of shares	-	66.50
Closing Balance	494.98	494.98

iii) General Reserve

Particulars	March 31, 2026	March 31, 2025
Opening Balance	1,573.15	1,489.04
Add :Transferred from Surplus in Statement of Profit & Loss	1,692.21	1,573.15
Less : Buyback of shares	-	(1,489.04)
Closing Balance	3,265.36	1,573.15

iv) Retained Earnings

Particulars	March 31, 2026	March 31, 2025
Opening Balance	1,24,026.59	1,15,524.84
Add : Net Profit / (Loss) for the Year	17,799.53	15,242.71
Less : Buyback of shares/Buyback Tax /Dividend Paid	(1,825.40)	(6,740.96)
Closing Balance	1,40,000.72	1,24,026.59

v) Foreign Currency Translation reserve

Particulars	March 31, 2026	March 31, 2025
Opening Balance	(15.02)	(77.42)
Additions	52.02	62.40
Closing Balance	37.00	(15.02)

vi) Other Comprehensive Income

Particulars	March 31, 2026	March 31, 2025
Opening Balance	1,064.89	968.14
Add : Fair value change of investment	286.60	208.99
Less : Measurment of defined benefit Liability/Assets	(18.72)	(112.24)
Closing Balance	1,332.77	1,064.89

vii) Non- Controlling Interest

Particulars	March 31, 2026	March 31, 2025
Opening Balance	34.43	40.58
Add : Profit for the year	2.03	-
Less : Loss for the year	-	(6.15)
Closing Balance	36.46	34.43

Nature and Purpose of Reserves

Capital Reserve

During amalgamation/merger/acquisition, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.

Capital Redemption Reserve

Transferred to Capital Redemption Reserve on redemption of Redeemable Preference Shares during the year and can be used for issuing fully paid up Bonus Shares

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

General Reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the 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.

Equity instruments through Other Comprehensive Income

The Company has elected 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 de-recognised

NOTE NO 13: NON CURRENT BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Term loans		
Secured borrowings		
From Scheduled Banks	25,329.98	28,043.01
Loans & advances from related parties		
From Directors - Unsecured	357.00	357.00
TOTAL	**25,686.98**	**28,400.01**

Note :

1. Refer Note 38a for details of terms of repayment
2. Refer Note 38ai for pledged security for the Borrowings.
3. Interest @8.50%p.a. is charged for loan from Directors, however no specific repayment schedule is specified.

NOTE NO 14: OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Deposits	23.16	16.01
TOTAL	**23.16**	**16.01**

NOTE NO 15 : LONG TERM PROVISION

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits	455.50	432.50
TOTAL	**455.50**	**432.50**

1. Refer Note 45 Employee Benefits

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 16: DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax (Net)		
Deferred Tax Liability		
i) On Fiscal allowances on Fixed Assets	7,843.70	7,574.94
Deferred Tax Assets		
i) On employee benefit obligation	(147.88)	(134.66)
ii) On investment fair value changes	430.83	383.00
Fair value of Investment / remeasurement of defined benefit liability/Assets	282.94	248.34
Total	**8,126.64**	**7,823.28**

Movement in Deferred Tax Assets / (Liabilities) (Net)

(₹ in lakhs)

	Deferred Tax Assets			Deferred Tax Liabilities		
Particulars	**Emplyee benefit obligation**	**investment fair value changes**	**Total**	**Property, Plant and equipment and investment property**	**Total**	**Net Total**
At April 1,2024	**(102.34)**	**348.13**	**245.79**	**7324.91**	**7324.91**	**7,570.70**
(Charged)/Credited :						
to profit or loss	-	-	-	250.03	250.03	250.03
to other comprehensive income	(32.32)	34.87	(2.55)	-	-	2.55
At March 31, 2025	**(134.66)**	**383.00**	**(248.34)**	**7,574.94**	**7574.94**	**7,823.28**
(Charged)/Credited :			-			
to profit or loss	-	-	-	268.76	268.76	268.76
to other comprehensive income	(13.22)	47.83	(34.61)	-	-	34.61
At March 31, 2026	**(147.88)**	**430.83**	**(282.95)**	**7,843.70**	**7,843.70**	**8,126.64**

NOTE NO 17: SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Loans repayable on demand		
From Banks		
Secured Borrowings (refer note 38b)	23,779.15	21,583.50
Unsecured borrowings	1,000.00	5,600.00
Current Maturity of Loang Term Debts	7,016.48	5,640.75
TOTAL	**31,795.62**	**32,824.25**

Note :

1. The quarterly returns or statements filed by the Group during the year with the banks are in agreement with books of account of the Group.
2. Refer Note 38b for Pledged security information and details of terms of repayment.
3. Short term unsecured borrowing as on March 31, 2026 taken for 29 days and interest @6.60%p.a.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 18 : TRADE PAYABLES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables of Goods,Services & Expenses		
Total outstanding dues of micro and small enterprises	2,408.66	1,180.28
Total outstanding dues of other than micro and small enterprises	45,379.29	40,433.73
TOTAL	**47,787.95**	**41,614.02**

Ageing of trade payable

(₹ in lakhs)

Particulars	As at March 31, 2026				
	Outstanding for following periods from invoice date				
	<1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed dues-MSME	2,408.66	-	-	-	2,408.66
Undisputed dues-Others	45,379.29	-	-	-	45,379.29
Total	**47,787.95**	**-**	**-**	**-**	**47,787.95**

Ageing of trade payable

(₹ in lakhs)

Particulars	As at March 31, 2025				
	Outstanding for following periods from invoice date				
	<1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed dues-MSME	1,180.28	-	-	-	1,180.28
Undisputed dues-Others	40,433.73	-	-	-	40,433.73
Total	**41,614.02**	**-**	**-**	**-**	**41,614.02**

Note :

1. Refer Note 42 for Maturities of Non – derivative financial liabilities.
2. Refer Note 44 disclosure for micro,small and medium enterprises development Act,2006

NOTE NO.19 OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued but not due on Loans	178.05	243.23
Project Creditors	1,597.96	1,779.74
Mark to Market Loss on financial instruments	503.99	-
TOTAL	**2,280.00**	**2,022.96**

Note No 20 : Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Unpaid Dividend	65.23	56.94
Other Payable - Duties & Taxes	232.74	187.31
Advance from customers	5,020.64	3,441.31
Other Payables	3,421.50	3,003.18
TOTAL	**8,740.10**	**6,688.74**

Note :

1. Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 21 : SHORT TERM PROVISION

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee benefits	812.44	428.96
TOTAL	**812.44**	**428.96**

1. Refer Note 45 Employee Benefits

Note No 21.1: Current Tax Assets (Net) / Current Tax (Liabilities) (Net)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	**1,000.13**	**(118.05)**
Add : Taxes paid (Net)	(387.31)	5,235.59
Less : Current Tax payable for the year	(1,327.65)	(4,117.41)
Closing Balance	**(714.82)**	**1,000.13**

The following table provides the details of income tax assets and liabilites as on March 21,2026 & March 31, 2025

Particulars	As at March 31, 2026	As at March 31, 2025
Income Tax Assets	-	1000.13
Income Tax Liabilites	714.82	-
Net Current income tax assets/ (liabilities) at the end	**714.82**	**1,000.13**

NOTE NO 22 - REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of Products/services	2,52,127.70	2,36,892.76
Other Operating Revenue		
Export Benefits/Incentives Received	1,029.85	851.00
Scrap sales & Others	3,373.57	959.27
Total	**2,56,531.12**	**2,38,703.03**

NOTE NO 23 - OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend	0.15	1.29
Interest	116.78	1,239.64
Miscellaneous Income	121.99	395.11
Total	**238.92**	**1,636.04**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 24 - COST OF MATERIALS CONSUMED

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Op.Stock- Raw Material	17,712.78	18,327.49
Add : Purchase	1,43,917.72	1,35,672.59
Less : Cl.Stock- Raw Material	(18,786.76)	(17,712.78)
Total : Raw Material Consumption	**1,42,843.74**	**1,36,287.30**
Op.Stock- Packing Material	502.64	519.33
Add : Purchase	4,027.81	4,869.63
Less : Cl.Stock- Packing Material	(654.83)	(502.64)
Total : Packing Materials Consumption	**5,185.28**	**4,886.32**
Freight Inward	1,802.97	1,575.63
Clearing & Forwarding	569.39	634.95
Total	**1,50,401.39**	**1,43,384.20**

Note No 24.1 - Change in Inventories

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(Incr.)Decr. In Stock of FG,Stock in Trade & WIP		
Inventories at the beginning of the year		
Op.stock - WIP	11,679.07	12,812.69
Op.stock - Finished Goods	12,798.49	13,610.99
Op.stock - Stock in Trade	-	-
	24,477.56	**26,423.67**
Inventories at the end of the year		
Cl.stock - WIP	14,124.60	11,679.07
Cl.stock - Finished Goods	10,389.75	12,798.49
Cl.stock - Stock in Trade	-	-
	24,514.35	**24,477.56**
Total Change	**(36.79)**	**1,946.11**

NOTE NO 25 - EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries,Wages and Bonus (Mfg)	9,236.89	7,878.49
Labour Welfare Expenses	65.90	71.71
Salaries and Bonus (Admin)	1,978.06	1,727.67
Provident Fund Contribution	308.21	263.25
Staff Welfare Expenses	26.52	24.53
Directors' Remuneration	1,316.11	1,244.19
Total	**12,931.70**	**11,209.84**

Note :

1. Refer Note 34 for Details of remuneration to directors.
2. Refer Note 45 Employee Benefits

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 26 - FINANCE COST

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on Term Loans	1,584.52	1,481.31
Interest on Working Capital	1,732.28	2,057.34
Interest on Others (Including Ind AS 116 Interest)	54.66	48.61
Total	**3,371.47**	**3,587.27**

Note : Borrowing cost is capitalised during the year of **₹ 902.98 lakhs** (Previous Year ₹ 1278.80 lakhs)

NOTE NO 27 - DEPRECIATION AND AMORTISATION

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on Property, Plant & Equipment	6,209.02	5,453.06
Amortisation on Lease Assets	120.24	115.02
Amortisation on Intangible Assets	367.81	9.60
Total	**6,697.07**	**5,577.68**

NOTE NO 28 - OTHER EXPENSES

(₹ in lakhs)

Particulars	Year Ended	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Manufacturing Expenses		
Processing Charges	2,574.17	2,451.74
Labour Charges	6,706.38	6,003.80
Insurance Expenses	704.13	605.78
Lease Expenses	29.99	23.60
Power & Fuel	17,137.19	15,334.68
Stores & Spares	3,935.62	3,429.66
Repairs & Maintenance - Building	443.96	282.79
- Plant & Machinery	1,902.42	1,613.63
Research & development (refer note no:31)	1,463.71	1,304.20
Water Charges	344.04	293.31
Laboratory Expenses	367.38	361.95
Other Factory Expenses	4,000.35	3,540.56
SubTotal (a)	**39,609.33**	**35,245.68**
Office & Administartion Expenses		
Books & Periodicals	0.04	0.05
Auditors' Remuneration	17.99	18.36
Conveyance Expenses	41.79	35.04
Legal & Professional Charges	667.82	765.16

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

Particulars	Year Ended	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Membership & Subscriptions	14.09	6.01
Printing & Stationery	23.73	22.26
Postage,Telegram & Telephone	22.11	20.27
Office Electricity Charges	20.15	19.42
Insurance Charges	39.06	51.45
Repairs & Maintanance - Others	86.39	33.56
Entertainment Expenses	0.63	0.83
Miscellaneous Expenses	766.89	435.09
Vehicle Expenses	19.15	16.77
Travelling Expenses - Directors	81.45	42.62
- Others	270.44	211.11
Directors' Sitting Fees	15.65	16.45
Sub Total (b)	**2,087.36**	**1,694.47**
Refer Note 35 for Details of payment to Auditors.		
Selling & Distribution		
Advertisement & Sales Promotion	273.67	179.14
Freight & Forwarding -Export	3,683.56	3,535.99
Freight & Forwarding - Local	1,220.01	1,261.52
Commission Expenses	2,038.41	1,485.37
Insurance Expenses	151.97	153.17
Postage & Telegram	17.33	14.88
Other Export Expenses	627.89	261.91
Bad Debts & other written off	366.12	372.22
Sub Total (c)	**8,378.97**	**7,264.20**
Bank Charges **(d)**	**258.07**	**316.49**
Non Operative Expenses		
Donations	2.54	2.33
CSR Expenditure	470.32	499.45
SubTotal (e)	**472.86**	**501.78**
Total (a+b+c+d+e)	**50,806.59**	**45,022.63**

NOTE NO 29 - EARNING PER SHARE:

(Amount in ₹ in lakhs, except share data)

Particulars	Current Year	Previous Year
Net Profit available for Equity Shareholders	19,491.74	16,815.85
Total Comprehensive Income	19,809.04	16,971.89
Number of Equity Shares (Nos.)	9,12,70,000	9,12,70,000
Basic & Diluted EPS (after extraordinary items) (₹)	21.36	18.35
Nominal value per share (₹)	10.00	10.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Note 29.1: Corporate Information:

Aarti Drugs Limited ("the Group") is a public limited group incorporated and domiciled in India. Its equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The registered office of Group is located at Plot No N-198, M.I.D.C, Tarapur, Village-Pamtermbhi, Dist. Palghar, Maharashtra - 401506 and is incorporated under the provisions of the Companies Act applicable in India.

The List of Companies which are included in the Consolidated Financial Statements are follows:

Name of the Group	Country of Incorporation	Proportion of Ownership Interest (%)	
		As on March 31, 2026	As on March 31, 2025
Wholly Owned Subsidiary			
Pinnacle Life Science Private Ltd.	India	100%	100%
Aarti Speciality Chemicals Ltd.	India	100%	100%
Subsidiary Group			
Pinnacle Chile SpA.	Chile	95%	95%
- Step down Subsidiary Company			
Pharma GO SpA.	Chile	95%	95%
Tripharma Chile SpA.	Chile	95%	-

The group is primarily involved in Manufacturing and Marketing of Active Pharmaceutical Ingredients (API), Pharma Intermediate, Specialty Chemicals and Formulations (Finished Dosage Forms). The group caters to both domestic and International markets.

The financial statements have been authorised for issue by the Board of Directors at their meeting held on May 15, 2026

Note 29.2: Material Accounting Policies and Accounting Estimates and Judgements

1) Basis of preparation:

Statement of Compliance

These financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time

Accordingly, the Group has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss for the year ended March 31, 2026, the Statement of Cash Flows for the year ended March 31, 2026 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements')

Classification of Assets and Liabilities:

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

The Statement of Cash flows have been prepared under Indirect Method.

Basis of Measurement

The financial statements have been prepared on a historical cost convention on the accrual basis, except for certain financial instruments that are measured at fair value, viz employee benefit plan assets.

Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency of the group and all values are rounded to the nearest lakhs, except when otherwise indicated.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Use of estimates and Judgments:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, Judgment & Assumptions. These estimates, judgments & assumption affect the application of accounting policies and the reported amounts of assets & liabilities, the disclosures of contingent assets & liability at the date of the financial statement & reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The following are areas involving critical estimates and judgments:

Judgements:

- Leases
- Estimation of income tax payable and income tax expense in relation to an uncertain tax position
- Provisions and Contingencies

Estimates:

- Impairment
- Accounting for Defined benefit plans
- Useful lives of property, plant and equipment and intangible assets - Fair Valuation of Financial instruments
- Valuation of inventories
- Expected Credit Losses on financial assets

Principles of Consolidation:

(i) The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements.

(ii) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company and Subsidiary Companies drawn up to the same reporting date i.e March 31, 2026. Subsidiary Companies are all the entities over which the Group has control. Subsidiary companies are consolidated on the date on 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.

(iii) 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 reserves in Reserves & Surplus.

(iv) Process of Consolidation

a) 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.

b) 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.

c) 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.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

(v) 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 Company. Their share of net assets is identified and presented in the Consolidated Balance sheet separately.

(vi) 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) Revenue recognition:

Revenue from contract with customer

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step 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.

(i) Sale of goods: Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations. The Group recognises revenue from goods sold and services rendered at Transaction Price which is the amount of consideration the Group expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding the amounts collected on behalf of a third party. The Transaction price is net of discounts, sales incentives, rebates granted, returns, sales taxes, GST and duties and any other recoverable taxes.

Generally, in case of domestic sales, performance obligations are satisfied when the goods are dispatched or delivery is handed over to transporter, revenue from export of goods is recognised at the time of Bill of lading or airway bill or any other similar document evidencing delivery thereof.

(ii) Interest Income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Dividend income: Dividend income is recognised when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

(iv) Export benefits: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

3) Property, plant and equipment (PPE):

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of PPE comprises its purchase price (including the costs of materials / components, cost of acquisition, installation or construction) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and such other incidental costs that may be associated with acquisition or creation of the asset ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the same is depreciated separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Capital expenditure on property, plant and equipment for development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

An item or part of PPE is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss as and when the asset is derecognised.

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 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.

Research and Development:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:-

- development costs can be measured reliably;-
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the group intends to and has sufficient resources to complete development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Depreciation:

Depreciable amount of all items of property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation for Property, plant and equipment are provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013.

Leasehold Land is amortised over the tenure of lease,

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end

and adjusted prospectively; if appropriate an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Impairment

The Group assesses at each reporting the carrying amounts of its property, plant and equipment, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Impairment loss, if any, is provided to the extent that the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an asset or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

4) Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach), which include unobservable inputs. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" and its recoverable amount at the date of the subsequent decision not to sell. Recoverable amounts of assets reclassified from "Held for Sale" have been estimated using the Management's assumptions.

5) Inventories:

Raw materials, packing materials, store & spares, Traded goods and Work in progress are valued at the lower of cost and net realisable value. The cost of Raw materials, packing materials, store & spares and traded goods includes all cost of purchase, duties and taxes (other than those subsequently recoverable from the tax authorities) and all other cost incurred in bringing the inventory to its present location and conditions. Cost is arrived on moving stock on FIFO basis.

Finished goods are valued at lower of cost and net realisable value. The cost of finished goods and Work in progress have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal operating capacity and other related cost incurred in bringing the inventories to their present condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Slow and non-moving material, obsolesces, defective inventory are provided for and valued at net realisable value.

Goods and material in transits are valued at cost incurred upto to the date of balance sheet.

6) Employee benefits:

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

Post-Employment Obligations

Defined contribution plans

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

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value plan assets.

7) Foreign Currency Transactions:

Transaction denominated in foreign currencies is recorded at the exchange rate that approximates the actual rate prevailing at the date of the transaction. Monetary item denominated in foreign currency remaining unsettled at the year end are translated at year end rates. Differences arising on settlement or conversion of monetary items are recognised in statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transactions. premium in case of forward contracts is dealt with in the Profit and Loss Account proportionately over the period of contracts. The exchange differences arising on settlement/translation are dealt with in the Statement of Profit and Loss.

8) Leases (as a lessee):

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, 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.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: –

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 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, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of -use asset has been reduced to zero.

The group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Leases as Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as operating leases. Lease income from operating leases is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the pattern in which benefit derived from the use of the underlying asset is diminished. The underlying assets continue to be recognised in the Company's financial statements and are depreciated in accordance with the Company's accounting policy for the relevant class of assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.

9) Income Taxes:

Income tax expense comprises of current tax expense and deferred tax expenses.

Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

Deferred tax:

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

10) Borrowing Costs:

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

11) Provisions and Contingent Liabilities and Contingent Assets

Provisions:

Provisions for legal claims, chargeback and sales returns are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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 or a reliable estimate of the amount cannot be made.

Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements

12) Financial Instruments :

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Equity Investments

All equity investments (excluding the investments in Subsidiaries) 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 the 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.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities (including loans and borrowings, bank overdrafts 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.

Fair Value Measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

a. In the principal market for the asset or liability, or

b. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable for assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation [based on the lowest level input that is significant to the fair value measurement as a whole] at the end of each reporting period.

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received net of direct issue cost.

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 value through profit and loss (FVTPL). 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. 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.

13) 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 group, and, by the corresponding approving authority in case of any other entity for issue.

Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

14) Cash and cash equivalents

For the purpose of presentation in the Balance sheet, Cash and Cash equivalents comprises cash at bank and on hand and other short-term, highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank and on hand and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

15) Contributed Equity :

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

i. Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group.
- By the weighted average number of equity shares outstanding during the financial year,

adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

ii. Dividends to shareholders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by shareholders. Any interim dividend paid is recognised on approval by the board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 30 - CONTINGENT LIABILITIES AND COMMITMENTS:

(₹ in lakhs)

Sr. No.	Particulars	Of Parent Company Mar-26	Of Subsidiary Companies Mar-26	Of Parent Company Mar-25	Of Subsidiary Companies Mar-25
i)	**Contingent Liabilities**				
a.	In respect of bank guarantees issued & L/C opened by the Company's bankers	17,092.25	43.49	11,845.71	803.11
b.	Demand in respect of additional income tax disputed in appeal (not acknowledged as debt)	9,242.66	-	9,238.24	-
c.	Demand in respect of additional Excise, custom duty, service tax, sales tax,GST ,fine & penalty in appeal (not acknowledged as debt)	5,827.01	836.87	4,655.10	603.79
d.	Liability for duty on raw material imported under advance license benefit scheme against which export obligation remained to be fulfilled	58.66	39.96	103.94	39.96
e.	Liability for Maharashtra Pollution Control Board	879.35	-	879.35	-
ii)	**Commitments**				
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,463.57	433.66	1,340.19	1,184.40
b.	Investment in Equity and Compulsory Convertible Debentures (CCDs) pursuant to the Share Subscription and Shareholders' Agreement entered into for developing, constructing, operating and maintaining a solar power plant for captive consumption of electricity under open access mechanism	806.42	-	963.90	-

Note :

1) During the year, the Company invested ₹ 6.30 Lakhs in the equity share capital of Pro-zeal Green Power Six Private Limited by subscribing to 63,000 Equity Shares of ₹10 each, representing 26.25% of its total share capital, pursuant to the Share Subscription and Shareholders' Agreement entered into for developing, constructing, operating and maintaining a solar power plant for captive consumption of electricity by the factories of the Company located in Gujarat. Further, pursuant to the aforesaid agreements, the Company is required to invest an aggregate amount of ₹ 158.70 Lakhs by way of subscription to 15,870 Compulsorily Convertible Debentures (CCDs) of face value of ₹1,000 each, in various tranches, subject to the achievement of specified milestones relating to the development of the power project. Against this commitment, as at March 31, 2026, the Company had invested ₹ 158.70 Lakhs by subscribing to 15,118 CCDs. The remaining ₹ 7.52 Lakhs will be invested upon achieving specific milestones pursuant to the aforesaid agreements.

2) During the year, the Company invested ₹ 6.30 Lakhs in the equity share capital of Pro-zeal Green Power Nine Private Limited by subscribing to 63,000 Equity Shares of ₹10 each, representing 26.25% of its total share capital, pursuant to the Share Subscription and Shareholders' Agreement entered into for developing, constructing, operating and maintaining a solar power plant for captive consumption of electricity by the factories of the Company located in Maharashtra. Further, pursuant to the aforesaid agreements, the Company is required to invest an aggregate amount of ₹ 798.90 Lakhs by way of subscription to 79,890 Compulsorily Convertible Debentures (CCDs) of face value of ₹1,000 each, in various tranches, subject to the achievement of specified milestones relating to the development of the power project.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 31 - DISCLOSURE REGARDING SCIENTIFIC RESEARCH & DEVELOPMENT EXPENDITURE

(₹ lakhs)

YEAR	RECURRING EXPENDITURE	CAPITAL EXPENDITURE
FY 2025-2026	1463.71	5072.87
FY 2024-2025	1304.20	3235.96

NOTE NO 32 - SEGMENT REPORTING (IND- AS 108)

Ind AS 108 establishes standards for the way that group reports information about operating segment and related disclosure about products and geographical areas.

I. BASIS FOR SEGMENTATION

The operations of the group are limited to one segment i.e Development, Manufacturing and Marketing of Active Pharmaceutical Ingredients (API), Pharma Intermediate, Specialty Chemicals Formulations (Finished Dosage Forms). The products being sold under this segment are of similar nature and comprises of pharmaceutical intermediary products only. The group's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information adjustments, etc.) on a periodic basis.

II. GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS

(₹ in lakhs)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Segment Revenue		
a) Out of India	99642.38	86533.09
b) India	156888.74	152169.94
Total	**256531.12**	**238703.03**

NOTE NO 33 - RELATED PARTY DISCLOSURE UNDER (IND-AS 24)

A. Name and Relationship of the Related Parties:

(1) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of such individual.

- Individuals

Shri. Chandrakant V. Gogri	Chairman Emeritus
Shri. Rajendra V. Gogri	Promoter

- Relatives of Individuals

Smt. Jaya C. Gogri	Shri. Mirik R Gogri
Smt. Arti R. Gogri	Shri. Renil R. Gogri
Shri. Mulraj C. Gala	Smt. Hetal Gogri Gala
Smt. Indira M. Dedhia	Smt. Dollar Dedhia
Smt. Pooja Renil Gogri	

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(2) Key Management personnel along with their relatives have significant influence.

- Key Management Personnel including Non-Executive Directors

Shri. Prakash M. Patil	Chairman, Managing Director & Chief Executive Officer
Shri. Harshit M. Savla	Jt. Managing Director
Shri. Rashesh C. Gogri	Managing Director
Shri. Harit. P. Shah	Whole-time Directors
Shri. Uday M. Patil	Whole-time Directors
Shri. Adhish P. Patil	Chief Financial Officer
Shri.Rushikesh Deole	Company Secretary & Compliance Officer
Shri. Vishwa H. Savla	Managing Director of Subsidiary
Shri. Juan Fidel Gomez Barrera	Director of Subsidiary
Shri. Parth S. Shah	Whole-time Director of Subsidiary
Shri Narendra J. Salvi	Non-Executive Director
Shri Ankit V. Paleja	Non-Executive Director
Shri Bhaskar N. Thorat	Non-Executive Director
Smt. Neha R. Gada	Non-Executive Director
Shri Hasmukh B. Dedhia	Non-Executive Director
Shri Sandeep M. Joshi	Non-Executive Director
Shri Ajit E. Venugopalan	Non-Executive Director

- Relatives of Key Management Personnel

Smt. Priti P. Patil	Smt. Seema H. Savla
Shri. Arun M. Patil	Smt. Bhoomi H. Savla
Dr. Vikas M. Patil	Shri. Tejas U. Patil
Shri. Sameer P.Shah	Smt. Jayashree H. Shah
Smt. Arati T. Sankhe	Smt.Manisha R. Gogri
Smt. Reshmi Vanjara	Smt. Kalika A. Mishra
Shri.Tushar Sankhe	Shri. Amit Mishra
Smt. Kalpana Sankhe	Shri. Aashay R. Gogri
Shri. Aarnav R. Gogri	Smt. Richie Gandhi
Shri. Jigar Solanki	Shri. Jay M. Savla
Smt. Jigna Shah	Smt. Kalpana H. Chheda
Smt. Vandana U. Patil	Smt. Riya T. Patil
Shri. Pradeep S. Sahu	Smt. Snehal T. Sahu
Shri. Maahir H. Shah	Smt. Parul S. Shah
Smt. Shachi S. Shah	

(3) Enterprise/firms with whom transactions have taken place and over which controlling individuals have significant influence.

- Aarti Industries Ltd.
- Aarti Life Science LLP
- Aarti Pharmalabs Limited
- Aarti Packwell Private Ltd
- Aarti Surfactants Limited
- Alchemie Gases & Chemicals Pvt Ltd
- Alchemie Finechem Private Limited
- Valiant Organics Limited

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Transaction with the Related Parties:

Sr. No.	Particulars	Relationship	FY 2025-26 ₹ In lakhs	FY 2024-25 ₹ In lakhs
a)	**Sale of Goods**			
	Aarti Industries Ltd	Entities in which some of the directors are interested	13.49	-
	Aarti Pharmalabs Ltd	Entities in which some of the directors are interested	477.95	15.25
	Aarti Surfactants Ltd	Entities in which some of the directors are interested	6.16	-
	Aarti Life Science LLP	Entities in which some of the directors are interested	-	48.55
b)	**Purchase of Goods Traded**			
	Aarti Industries Ltd	Entities in which some of the directors are interested	2006.77	1261.28
	Aarti Pharmalabs Ltd	Entities in which some of the directors are interested	1091.10	400.78
	Aarti Packwell Pvt. Ltd	Entities in which some of the directors are interested	31.72	-
	Aarti Life Science LLP	Entities in which some of the directors are interested	-	306.78
	Valiant Organics Limited	Entities in which some of the directors are interested	1021.41	-
	Alchemic Finechem Pvt. Ltd	Entities in which some of the directors are interested	139.92	115.19
c)	**Manufacturing Expenses**			
	Aarti Life Science LLP	Entities in which some of the directors are interested	96.00	96.00
	Alchemie Gases & Chemicals Pvt Ltd	Entities in which some of the directors are interested	14.74	17.55
d)	**Other Expenses/ Reimbursement exp.**			
	Aarti Industries Ltd	Entities in which some of the directors are interested	71.67	83.25
	Aarti Pharmalabs Ltd	Entities in which some of the directors are interested	94.23	-
	Aarti Life Science LLP	Entities in which some of the directors are interested	2.89	0.65
e)	**Finance Cost**			
	Prakash M Patil	KMP	21.85	21.85
	Harshit M Savla	KMP	8.50	8.50

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Sr. No.	Particulars	Relationship	FY 2025-26 ₹ In lakhs	FY 2024-25 ₹ In lakhs
f)	**Employee benefits and Office & Administration Expenses**			
	Prakash M Patil	Director	291.04	293.92
	Harshit M Savla	Director	263.59	268.74
	Harit. P. Shah	Director	263.59	268.74
	Uday M Patil	Director	42.41	36.75
	Rashesh C Gogri	Director	263.59	268.74
	Adhish Patil	KMP	125.62	122.54
	Vikas Patil	Relative of KMP	26.84	27.97
	Vishwa Savla	KMP of Subsidiary	97.97	89.91
	Parth Shah	KMP of Subsidiary	19.75	17.38
	Jaun Fidel Gomez Barrera	KMP of Subsidiary	101.88	87.26
	Arun Patil	Relative of KMP	36.55	29.95
	Tejas Patil	Relative of KMP	9.63	7.67
	Shri Narendra J. Salvi	Non-Executive Director	1.10	1.60
	Shri Ankit V. Paleja	Non-Executive Director	2.50	2.60
	Shri Bhaskar N. Thorat	Non-Executive Director	2.10	2.35
	Smt. Neha R. Gada	Non-Executive Director	3.70	3.15
	Shri Hasmukh B. Dedhia	Non-Executive Director	2.80	2.65
	Shri Sandeep M. Joshi	Non-Executive Director	1.60	1.85
	Shri Ajit E. Venugopalan	Non-Executive Director	2.55	2.65
g)	**Closing Balance :**			
	Balance Receivable:			
	Aarti Pharmalab Limited	Entities in which some of the director are interested	200.25	-
	Aarti Life Science LLP	Entities in which some of the director are interested	95.30	96.84
	Aarti Surfactants Limited	Entities in which some of the director are interested	7.14	-
	Balance Payable:			
	Aarti Life Science LLP	Entities in which some of the directors are interested	5.12	5.12
	Alchemie Gases & Chemicals Pvt Ltd	Entities in which some of the directors are interested	1.34	1.74
	Aarti Industries Ltd	Entities in which some of the directors are interested	420.20	308.05
	Valiant Organics Limited	Entities in which some of the directors are interested	238.49	-
	Aarti Packwell Pvt. Ltd	Entities in which some of the directors are interested	19.43	-
	Aarti PharmaLabs Ltd	Entities in which some of the directors are interested	228.03	166.16
	Prakash M Patil	KMP	257.00	257.00
	Harshit M Savla	KMP	100.00	100.00
	Sales of Pinnacle Chile SpA Shares			
	Jaun Fidel Gomez Barrera	KMP of Subsidiary	-	2.20

1. Transactions are Net of Taxes

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 34 - DIRECTORS REMUNERATION:

(₹ In lakhs)

Particulars	By the Parent Company March 31, 2026	By the Subsidiary Company March 31, 2026	By the Parent Company March 31, 2025	By the Subsidiary Company March 31, 2025
Salary to Managing Directors and whole time Directors	352.88	174.25	323.96	149.16
Bonus/Leave Travel Allowance/House Rent Allowance/Medical/Leave Salary	74.93	45.35	66.21	45.39
Commission/Performance Linked Incentives	614.35	-	671.26	-
Contribution to Provident fund	1.08	-	1.08	-
Superannuation fund scheme	80.99	-	74.39	-
Total Remuneration	**1,124.23**	**219.60**	**1,136.90**	**194.55**

NOTE NO 35 - AUDITORS' REMUNERATION INCLUDES

(₹ In lakhs)

Particulars	Statutory Audit		Certification		Total	
	March 2026	March 2025	March 2026	March 2025	March 2026	March 2025
By the Parent Company	13.00	12.79	0.25	1.15	13.25	13.94
By the Subsidiary Company						
Pinnacle Life Science Pvt.Limited	4.54	4.22	-	-	4.54	4.22
Aarti Speciality Chemicals Limited	0.20	0.20	-	-	0.20	0.20

NOTE NO 36 - RECONCILIATION OF EFFECTIVE TAX RATE

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

(₹ in lakhs)

Particulars	Current Year	Previous year
Accounting profit before income taxes	21,090.19	21,177.14
Statutory income tax rate (%)	25.168	25.168
Computed expected tax (benefit)/expenses	5307.98	5329.86
Timing difference in depreciable assets	(896.75)	(396.61)
Other Non deductible expenses for tax purpose	115.27	126.29
Other deductible Items for tax purpose	(3198.85)	(942.13)
Deferred Tax recognised (net)	268.76	250.03
Income tax expense reported in the statement of profit and loss	1596.41	4367.44
Effective Income Tax Rate	7.57	20.62

NOTE NO 37 - DETAILS OF FINANCIAL STATEMENT OF SUBSIDIARIES:

	(₹ in lakhs)	(₹ in lakhs)	(CLP in lakhs)	(CLP in lakhs)	(CLP in lakhs)
Name of the Subsidiary	**Pinnacle Life Science Private Ltd**	**Aarti Speciality Chemicals Ltd**	**Pinnacle Chile SPA**	**Pharma GO SPA**	**Tripharma Chile SPA**
The financial year of Subsidiary ended on	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026
Reporting currency	INR	INR	CLPESOS	CLPESOS	CLPESOS
a-Share Capital	806.09	42.00	3489.82	10.00	10.00
b- Other Equity	18384.29	(38.07)	3923.7	(1340.81)	(33.84)
c- Debts & other Liability	26284.46	0.15	81945.26	9792.23	33.93
Total Liability (a+b+c)	45474.83	4.08	89358.81	8461.42	10.09

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Name of the Subsidiary	(₹ in lakhs) Pinnacle Life Science Private Ltd	(₹ in lakhs) Aarti Speciality Chemicals Ltd	(CLP in lakhs) Pinnacle Chile SPA	(CLP in lakhs) Pharma GO SPA	(CLP in lakhs) Tripharma Chile SPA
Total Assets	45474.83	4.08	89358.81	8461.42	10.09
Total Income	30815.57	-	77892.82	4986.22	-
Profit/(loss) Before Tax	2595.41	(0.55)	1672.56	(1340.81)	(33.84)
Tax Expenses	387.92	-	0.46	-	-
Profit/(Loss) after Tax	2207.48	(0.55)	1672.10	(1340.81)	(33.84)

Name of the Subsidiary	(₹ in lakhs) Pinnacle Life Science Private Ltd	(₹ in lakhs) Aarti Speciality Chemicals Ltd	(CLP in lakhs) Pinnacle Chile SPA	(CLP in lakhs) Pharma GO SPA
The financial year of Subsidiary ended on	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025
Reporting currency	INR	INR	CLPESOS	CLPESOS
a-Share Capital	786.28	42.00	3489.82	10.00
b- Other Equity	13676.02	(37.52)	2251.64	-
c- Debts & other Liability	18191.33	0.05	62856.98	259.94
Total Liability (a+b+c)	32653.63	4.53	68598.44	269.94
Total Assets	32653.63	4.53	68598.44	269.94
Total Income	25634.72	-	50058.14	-
Profit/(loss) Before Tax	1536.57	(0.37)	(1306.87)	-
Tax Expenses	223.50	-	-	-
Profit/(Loss) after Tax	1536.07	(0.37)	(1306.87)	-

Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013.

(₹ 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 (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income	Amount (₹ in lakhs)
Holding Company								
Aarti Drugs Ltd	90.70%	1,40,479.08	86.81%	16,922.07	77.30%	247.29	86.65%	17,169.36
Indian Subsidiaries								
1. Pinnacle Life Science Private Limited	12.39%	19,190.37	11.32%	2,207.48	6.44%	20.59	11.25%	2,228.08
2. Aarti Speciality Chemical Limited	0.00%	3.93	0.00%	(0.55)	0.00%	-	0.00%	(0.55)
Foreign Subsidiary				-		-		
1. Pinnacle Chile SpA	48.30%	74,813.56	0.89%	173.26)	16.26%	52.02	1.14%	225.28
Other								
(a) Adjustments arising out of consolidation	(51.37%)	(79,564.38)	0.98%	191.51		-	0.97%	191.51
(b) Non-controlling Interest	(0.02%)	(36.46)		-		-		-
Total		**1,54,886.10**		**19,493.78**		**319.90**		**19,813.68**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 38 - SECURED BORROWING FROM BANKS:

a.

(₹ in lakhs)

Bank Name	As at March 31, 2026	As at March 31, 2025	Due for Instalment FY 2026-27	Due for Instalment Subsequent Years
Kotak Mahindra Bank Limited	23,437.5	27,187.50	5,625.00	17,812.5
HDFC Bank Ltd	-	765.00	-	-
Axis Bank Limited	3,885.68	2,374.00	440.00	3,445.68
Hongkong &Shanghai Banking Corporation Limited	5,023.28	3,357.26	951.48	4,071.80

(₹ in lakhs)

Name Of The Lender	Basis for ROI	Sanctioned Amount	O/s as on March 31, 2026	Year of Last Instalments Due
Kotak Mahindra Bank Ltd	(Repo+Spread)	8,370.66	2,528.00	FY. 2027-2028
Kotak Mahindra Bank Ltd	(Repo+Spread)	1,629.34	1,222.00	FY. 2027-2028
Kotak Mahindra Bank Ltd	(Repo+Spread)	5,000.00	4,687.50	FY. 2028-2029
Kotak Mahindra Bank Ltd	(Repo+Spread)	15,000.00	15,000.00	FY. 2030-2031
Axis Bank Ltd	(Repo+Spread)	2,300.00	1,210.00	FY. 2028-2029
Axis Bank Ltd	(Repo+Spread)	4,700.00	2,675.68	FY. 2030-2031
Hongkong &Shanghai Banking Corporation	(T Bill+Spread)	3,000.00	1,371.51	FY. 2027-2028
Hongkong &Shanghai Banking Corporation	(T Bill+Spread)	4,000.00	3,651.77	FY. 2030-2031
Total		**49,100.00**	**32,346.46**	

Note :

1. Spread applicable as mutually agreed at the time of disbursement.
2. On aggregate charge basis for Short Term Loan-rate of interest 6.60% to 6.85% & On aggregate charge basis for Term Loan–rate of interest 7.60% to 7.85%

Name Of The Lender	Basis for ROI	Sanctioned Amount	O/s as on March 31, 2025	Year of Last Installment Due
HDFC Bank Ltd	(Fixed)	5,100.00	765.00	FY. 2025-2026
Kotak Mahindra Bank Ltd	(Repo+Spread)	8,370.66	6,278.00	FY. 2027-2028
Kotak Mahindra Bank Ltd	(Repo+Spread)	1,629.34	1,222.00	FY. 2027-2028
Kotak Mahindra Bank Ltd	(Repo+Spread)	5,000.00	4,687.50	FY. 2028-2029
Kotak Mahindra Bank Ltd	(Repo+Spread)	15,000.00	15,000.00	FY. 2030-2031
Axis Bank Ltd	(Repo+Spread)	2,300.00	1,650.00	FY. 2028-2029
Axis Bank Ltd	(Repo+Spread)	4,700.00	724.00	FY. 2030-2031
Hongkong &Shanghai Banking Corporation	(T Bill+Spread)	3,000.00	2,057.26	FY. 2027-2028
Hongkong &Shanghai Banking Corporation	(T Bill+Spread)	4,000.00	1,300.00	FY. 2030-2031
Total		**49,100.00**	**33,683.76**	

Note :

1. Spread applicable as mutually agreed at the time of disbursement.
2. On aggregate charge basis for Short Term Loan-rate of interest 7.60% to 7.85% & On aggregate charge basis for Term Loan –rate of interest 8.35% to 8.60%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Note:

(i) The above term loans are secured by a first-ranking pari-passu charge by way of mortgage over the Company's immovable properties and hypothecation of its movable fixed assets, both present and future, situated at MIDC, Boisar, Maharashtra, comprising Plot Nos. N-198, G-60, E-21, E-22, E-1, K-40, K-41, E-120, E-9/3, E-9/4, W-60(B), W-61(B), W-62(A), W-71(B), W-72(B), W-73(B) and T-150; at MIDC, Turbhe, Maharashtra, comprising Plot Nos. D-277 and D-278; and at GIDC, Sarigam, Bhilad, Gujarat, comprising Plot Nos. 2902, 2904, 211, 213, 2601, 2602 and 2603 and Plot Nos-1331,1332 and 1335 at Baddi-Himachal Pradesh.

(ii) Term Loan from HDFC Bank Ltd is also secured by way of pari-passu second charge on current assets of the Company both present and future.

b. Loans from Scheduled Banks Payable on Demand of **₹ 23,779.15 lakhs** (Previous Year ₹ 21,583.50 lakhs) are secured by pari-passu first charge by way of hypothecation of Company's raw materials stock, stock-in-process, finished goods, packing materials, stores & spares, book debts, and all other current assets including goods in transit governed by documents of title and also pari-passu second charge by way of mortgage of immovable properties and hypothecation of movable fixed assets. both present and future , situated at MIDC, Boisar, Maharashtra, comprising Plot Nos. N-198, G-60, E-21, E-22, E-1, K-40, K-41, E-120, E-9/3, E-9/4, W-60(B), W-61(B), W-62(A), W-71(B), W-72(B), W-73(B) and T-150; at MIDC, Turbhe, Maharashtra, comprising Plot Nos. D-277 and D-278; and at GIDC, Sarigam, Bhilad, Gujarat, comprising Plot Nos. 2902, 2904, 211, 213, 2601, 2602 and 2603 and Plot Nos- 1331,1332 and 1335 at Baddi-Himachal Pradesh.

NOTE NO 39 - The Company has foreign exchange exposure because of its trade related (export/import) fund related function. The Company uses forward contracts, Options and Swaps to hedge against its foreign exchange exposures relating to underlying transactions. The Company does not enter into any derivatives instruments for trading or speculation purposes. During the year ended March 31, 2025, the Company had hedge in aggregate an amount of **₹ 31,120.64/-lakhs** (previous year ₹ 33,341.09/-lakhs) out of its annual trade related operations (export& import) aggregating to **₹ 1,44,648.05/-lakhs** (previous year ₹ 1,41,502.68/-lakhs) after considering natural hedge

NOTE NO 40 - ADDITIONAL STATUTORY INFORMATION:

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part 1 of Division II of Schedule III of the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

a. Ratios:

Ratio	Current year	Previous year	% Variance
Current ratio (in times) (Current Assets/ Current Liabilities)	1.59	1.60	(0.63)
Debt-Equity ratio (in times) (Debt consists of borrowings and lease liabilities/ Shareholder's Equity)	0.37	0.45	(17.78)
Debt service coverage ratio (in times) (Net Profit after taxes + Depreciation + Interest on loan)/(Interest on loan and lease payments + Long term principal repayments)	3.72	2.54	46.46
Return on equity ratio (in %) (Net profit after tax/ Average Shareholder's equity)	13.36	12.68	5.36
Inventory Turnover Ratio (in %) (Cost of goods sold/ Average Inventories)	3.87	3.66	5.74
Trade receivables turnover ratio (in times) (Net Credit Sales/ Average trade receivables)	3.83	3.87	(1.03)
Trade payables turnover ratio (in times) (Net Credit Purchase/ Average trade payables)	4.70	4.83	(2.69)
Net capital turnover ratio (in times) (Net Sales/ Average working capital (i.e. Total current assets less Total current liabilities))	3.46	3.40	1.76

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Ratio	Current year	Previous year	% Variance
Net profit ratio (in %) (Net Profit after tax/ Net Sales)	7.6	7.04	7.95
Return on capital employed (in %) (Earning before interest and taxes)/ (Tangible Net Worth + Total Debt + Deferred tax Liability)	11.46	12.43	(7.80)
Return on investment (in %) (Income generated from invested funds/ Average Investments)	-	-	-

Note :

The Debt-Equity ratio decreased by 17.88%, and the Debt Service Coverage Ratio improved significantly by 46.46% predominantly due to efficient working capital management.

b. The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

c. The Group do not have any transactions with struck off companies.

d. The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

f. The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

g. The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or

ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

h. The Group has not granted any loans and advances in the natures of loans to promoters, directors, KMP or related parties

i. The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

j. The Group have not 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.

k. The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

l. The Group has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules,2017.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

NOTE NO 41 - FAIR VALUE MEASUREMENTS:

Financial Instrument by Category

(₹ in lakhs)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
Financial Asset								
At Amortised Cost								
Trade Receivables	82,986.78	-	-	-	75,117.58	-	-	-
Cash & Cash Equivalent	726.89	-	-	-	457.72	-	-	-
Bank Balance Other than Cash and Cash Equivalents	154.06				298.35			
Other Financial Assets	1,547.27	-	-	-	1,505.34	-	-	-
At FVTOCI								
Investment	2,731.12	-	2,731.12	-	2,241.27	-	2,241.27	-
Financial Liabilities								
At Amortised Cost								
Borrowings	57,482.60	-	-	-	61,224.25	-	-	-
Trade Payables	47,787.95	-	-	-	41,614.01	-	-	-
Other Financial Liabilities	2,483.80	-	-	-	2,321.78	-	-	-

The financial instruments are categorised into two levels based on the inputs used to arrive at fair value measurements are described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observed for the asset or liability, either directly or indirectly.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

NOTE NO 42 - FINANCIAL RISK MANAGEMENT:

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

Company has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

I. Credit Risk

Credit risk is the risk that a counter party 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 trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

Credit risk management.

To manage the credit risk, the Company follows an adequate credit control policy and also has an external credit insurance cover with ECGC policy & HDFC ERGO General Insurance Company Limited .The requirement of assessing the impairment loss on trade receivables does not arise, since the collectability risk is mitigated. Bank balances are held with banks and majority of other security deposits are placed majorly with government/statutory agencies.

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Provision	558.79	296.73
Add:- Additional provision made	375.51	361.23
Less: Provision written off	-	-
Less : Provision Reversed	-	99.17
Closing Provisions	934.30	558.79

II. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Liquidity Risk Management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

As at March 31, 2026

Maturities of non-derivative financial liabilities

(₹ in lakhs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	47,787.95		-	47,787.95
Other financial liabilities	2,280.00	23.16	-	2,303.16
Total	**50,067.95**	**23.16**	**-**	**50,091.11**

As at March 31, 2025

Maturities of non-derivative financial liabilities

(₹ in lakhs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	41,614.01	-	-	41,614.01
Other financial liabilities	2,022.96	16.01	-	2,038.97
Total	**43,636.97**	**16.01**	**-**	**43,652.98**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

III. Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices– will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include trade receivable , trade payable & others, loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities are expose to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in exports and imports which is majorly in US dollars. Hence, to combat the foreign currency exposure, the Company follows a policy wherein the net sales are hedged By forward Contract.

NOTE NO 43 - As per Section 135 of the Companies Act 2013, details of amount to be spent on Corporate Social Responsibility are as below.

(₹ in lakhs)

Particulars	Of Parent Company 2025-26	Of Parent Company 2024-25	Of Subsidiary Companies 2025-26	Of Subsidiary Companies 2024-25
Gross Amount to be spent on CSR Activity	402.08	440.72	55.15	55.74
Amount spent during the year :	414.26	443.45	56.05	56.00
Projects :				
- Education and Skill development	192.11	55.43	10.00	20.00
- Healthcare Facilities	114.00	152.50	44.05	23.45
- Tribal Welfare	-	-	-	-
- Conservation of natural resources and maintaining quality of soil, air and water	9.39	92.21	-	-
- Rural development.	-	58.11	-	-
- Livestock Development	30.00	-	-	-
- Medical Grant	-	-	-	-
- Senior Citizen Welfare	-	-	2.00	-
- Public Infrastructure	47.71	7.94	-	-
- Support Weaker section of the Society	21.05	77.26	-	12.55
Total CSR Expenses	**414.26**	**443.45**	**56.05**	**56.00**
Previous year excess spent	11.71	8.98	0.26	-
Excess/(shortfall) during the year	23.89	11.71	0.90	0.26
Total of previous year shortfalls	**-**	**-**	**-**	**-**

NOTE NO 44 - DISCLOSURE FOR MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT) ARE GIVEN AS FOLLOWS:

(₹ in lakhs)

		Of Parent Company 2025-26	Of Parent Company 2024-25	Of Subsidiary Companies 2025-26	Of Subsidiary Companies 2024-25
A	Principal amount and the interest due on the above.	2354.27	729.54	54.39	450.74
B	Interest paid during the year beyond the appointed day.	-	-	-	-
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

		Of Parent Company 2025-26	Of Parent Company 2024-25	Of Subsidiary Companies 2025-26	Of Subsidiary Companies 2024-25
D	Amount of interest accrued and remaining unpaid at the end of the year.	-	-	-	-
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-	-	-

The above information regarding Micro enterprises and small enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delay payments.

NOTE NO 45 - EMPLOYEE BENEFITS:

a) Defined Benefit Plan

The employee's gratuity fund scheme managed by Life Insurance of India and Aditya Birla Sun Life Insurance Company Ltd is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in lakhs)

		Of Parent Company 2025-26	Of Parent Company 2024-25	Of Subsidiary Companies 2025-26	Of Subsidiary Companies 2024-25
a.	**Reconciliation of Opening and Closing balances of Defined Benefit Obligation**	**Gratuity (Funded) Current Year**	**Gratuity (Funded) Previous Year**	**Gratuity (Funded) Current Year**	**Gratuity (Funded) Previous Year**
	Defined Benefit Obligation at beginning of the Year	2339.10	2117.90	223.09	160.98
	Current/Past Service Cost	124.89	104.14	60.68	46.63
	Interest Cost	159.53	152.91	15.01	11.57
	Actuarial(gain)/ loss	21.99	119.37	(20.63)	15.99
	Benefits Paid	(230.22)	(155.22)	(30.54)	(12.08)
	Defined Benefit Obligation at year end	2415.29	2339.10	247.62	223.09
b.	**Reconciliation of opening and closing balances fair value of plan assets**				
	Fair value of plan assets at beginning of the year	2101.45	2034.39	64.65	71.71
	Expected return of plan assets	(30.54)	(9.06)	(0.04)	(0.14)
	Interest Income	143.32	146.88	4.35	5.16
	Employer Contribution	238.21	84.46	-	-
	Benefits Paid	(230.22)	(155.22)	5.93	-
	Fair value of plan assets at year end	2222.21	2101.45	(30.54)	(12.08)
	Actual return on plan assets	(30.54)	(9.06)	44.35	64.65
c.	**Reconciliation of fair value of assets and obligations**				
	Fair value of plan assets	2222.21	2101.45	44.35	64.65
	Present value of obligation	(2415.29)	(2339.10)	(247.62)	(223.09)
	Amount Recognised	(193.07)	(237.65)	(203.27)	(158.44)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

		Of Parent Company 2025-26	Of Parent Company 2024-25	Of Subsidiary Companies 2025-26	Of Subsidiary Companies 2024-25
d.	**Expenses recognised during the year**				
	Current/Past Service cost	124.89	104.14	60.68	46.63
	Interest cost	16.21	6.03	10.66	6.42
	Expected return on plan assets	-	-	-	-
	Actuarial(gain)/ loss recognised in OCI	52.53	128.43	(20.59)	16.13
	Net Cost	16.21	6.03	10.66	6.42
	L.I.C Group Gratuity (Cash Accumulation) Policy, and Aditya Birla Sun Life Insurance Company Ltd. Group Gratuity Policy	67.75% Invested with L.I.C. & 32.25% ABSLCL	71.71% Invested with L.I.C. & 28.29% ABSLCL	100% Invested with L.I.C.	100% Invested with L.I.C.
e.	**Actuarial assumptions**				
	Mortality Table(L.I.C.)	**-**	**-**		
		2012-14	**2012-14**	**2012-14**	**2012-14**
		(Ultimate)	**(Ultimate)**	**(Ultimate)**	**(Ultimate)**
	Discount rate (per annum)	7.67%	6.82%	7.24%	6.73%
	Expected rate of return on plan assets (per annum)	7.67%	6.82%	7.24%	6.73%
	Rate of escalation of in Salary (per annum)	5.00%	5.00%	6.00%	6.00%
	The estimate of rate of escalation in salary considered in Actuarial valuation, take into account inflation, seniority, promotion, other relevant factors' including supply and Demand in the employment market. The above information is certified by the actuary				
f.	**Other Details**				
	No of Members in Service	1355	1284	922	781
	Per Month Salary for Members in Service	348.64	318.25	181.70	142.63
	Weighted Average Duration of the Defined Benefit Obligation	7	8	9	10
	Average Expected Future Service	16	15	10	10
	Defined Benefit Obligation (DBI)-Total	2415.29	2339.10	247.62	223.09
	Defined Benefit Obligation (DBI)-Due but Not Paid	-	-	3.14	-
	Expected Contribution in the Next Year	321.23	318.25	181.70	142.63
g.	**Maturity Analysis of the Benefit Payments**				
	1st Following Year	293.19	334.97	18.04	17.44
	2nd Following Year	240.52	97.18	17.00	14.75
	3rd Following Year	274.17	276.35	18.59	15.94
	4th Following Year	217.25	254.27	20.59	19.63
	5th Following Year	357.27	192.69	37.10	18.70
	Sum of Year 6 To 10	1172.58	1224.11	111.55	103.75
	Sum of Year 11 and above	1729.71	1584.90	286.07	251.40

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(₹ in lakhs)

		Of Parent Company 2025-26	Of Parent Company 2024-25	Of Subsidiary Companies 2025-26	Of Subsidiary Companies 2024-25
h.	**Sensitivity Analysis**				
	Defined Benefit Obligation on Current Assumptions	2415.29	2339.10	247.62	223.09
	Delta Effect of +1% Change in Rate of Discounting	(130.17)	(134.70)	(17.90)	(16.65)
	Delta Effect of -1% Change in Rate of Discounting	146.60	152.37	20.61	19.25
	Delta Effect of +1% Change in Rate of Salary Increase	144.54	148.74	19.77	18.35
	Delta Effect of -1% Change in Rate of Salary Increase	(131.30)	(134.70)	(17.58)	(16.19)
	Delta Effect of +1% Change in Rate of Employee Turnover	24.28	17.05	0.01	(0.61)
	Delta Effect of -1% Change in Rate of Employee Turnover	(27.14)	(19.09)	(0.27)	0.44

b) Leave Encashment :

Leave Encashment liability amounting to **₹ 496.97 lakhs** previous year (₹ 481.37 lakhs) has been provided in the Accounts for the year.

NOTE NO 46 - Figures of the previous year have been regrouped and rearranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE.
For GOKHALE & SATHE
Chartered Accountants
Firm Registration No.: 103264W

Sd/-
CA Ravindra More
(Partner)
Membership No. 153666

Place: Mumbai
Date: May 15, 2026

For and on Behalf of the Board of Directors of Aarti Drugs Limited

Sd/-
Prakash M. Patil
(Chairman, Managing Director & CEO)
DIN : 00005618

Sd/-
Harshit M. Savla
(Jt. Managing Director)
DIN : 00005340

Sd/-
Adhish P Patil
(Chief Financial Officer)

Sd/-
CS Rushikesh Deole
(Company Secretary)
ICSI M.NO.F12932

Aarti Drugs Limited

CIN: L37060MH1984PLC055433
Regd. Off: Plot No. N-198, M.I.D.C. Tarapur, Village - Pamtembhi, Tal. and Dist. Palghar, Maharashtra - 401 506.
Phone: 022-2401 9025, **Fax:** 022-2407 3462
Website: www.aartidrugs.com, **Email:** investorrelations@aartidrugs.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Forty-first (41st) ANNUAL GENERAL MEETING** of the members of **AARTI DRUGS LIMITED** will be held on **Saturday, the 26th day of September 2026 at 11:00 (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors' and the Auditors thereon.

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

   Approval to the Retirement of Shri Uday M. Patil (DIN: 01186406) who retires by rotation and has not offered himself for re-appointment as a Director of the Company

   "RESOLVED THAT pursuant to Section 152 of the Companies Act, 2013, Shri Uday Moreshwar Patil (DIN: 01186406), Whole time Director liable to retire by rotation at this 41st Annual General Meeting and who has not offered himself for re-appointment, be not re-appointed as a Director of the Company."

SPECIAL BUSINESS:

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

   Appointment of Shri Nilesh Bhalchandra Patil (DIN: 08616943) as the Director of the Company

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, applicable provisions of 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), the Articles of Association of the Company, and on the basis of the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Shri Nilesh Bhalchandra Patil (DIN: 08616943) be and is hereby appointed as a Director of the Company, with effect from the conclusion of this Annual General Meeting, liable to retire by rotation, in place of Shri Uday Moreshwar Patil (DIN: 01186406), who retires by rotation in this Annual General Meeting and has not offered himself for re-appointment as a Director of the Company.

   RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this resolution."

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

   Appointment of Shri Nilesh Bhalchandra Patil (DIN: 08616943) as the Whole-time Director of the Company

   "RESOLVED THAT pursuant to provisions of sections 196, 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable provisions of 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), the Articles of Association of the Company, and on the basis of the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to appoint and designate Shri Nilesh Bhalchandra Patil (DIN: 08616943) as Whole-time Director of the Company, liable to retire by rotation, for a term of 5 (five) years from September 26, 2026 to September 25, 2031 upon terms and conditions including remuneration payable to him as set out in the Explanatory Statement annexed to the Notice convening this Annual General

NOTICE (CONTD.)

Meeting, with an authority in favour of the Nomination and Remuneration Committee and the Board to alter and vary the terms and conditions of the said appointment including remuneration within limits permissible under the Act.

RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this resolution."

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

   Appointment of Shri Adhish Prakash Patil (DIN: 02629496) as the Director of the Company

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, applicable provisions of 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), the Articles of Association of the Company, and on the basis of the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the appointment of Shri Adhish Prakash Patil (DIN: 02629496) as the Director of the Company, with effect from October 01, 2026.

   RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this resolution."

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

   Appointment of Shri Adhish Prakash Patil (DIN: 02629496) as the Managing Director of the Company

   "RESOLVED THAT pursuant to provisions of sections 196, 197, 198, 203 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable provisions of 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), the Articles of Association of the Company, and on the basis of the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, and such other approvals, permissions and sanctions, as may be required, the consent of the members of the Company be and is hereby accorded to appoint and designate Shri Adhish Prakash Patil (DIN: 02629496) as the Managing Director of the Company, not liable to retire by rotation, for a period of 5 (five) years with effect from October 01, 2026 upon terms and conditions including remuneration payable to him as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with an authority in favour of the Nomination & Remuneration Committee and the Board to alter and vary the terms and conditions of the said appointment including remuneration within limits permissible under the Act.

   PROVIDED THAT the total annual remuneration (comprising salary, perquisites, allowances and commission) payable to Shri Adhish Prakash Patil in any financial year shall not exceed the threshold prescribed under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the aggregate annual remuneration payable to all executive directors who are promoters or members of the promoter group shall not exceed 5% (five percent) of the net profits of the Company computed in accordance with Section 198 of the Act;

   PROVIDED FURTHER THAT the total managerial remuneration payable by the Company in any financial year shall not exceed the limits prescribed under Section 197 of the Act read with Schedule V thereto.

   RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this resolution."

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

   Re-appointment of Shri Harshit Manilal Savla (DIN: 00005340) as the Joint Managing Director of the Company

   "RESOLVED THAT pursuant to provisions of sections 196, 197, 198, 203 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

applicable provisions of 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), the Articles of Association of the Company, and on the basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the re-appointment of Shri Harshit Manilal Savla (DIN: 00005340) as the Managing Director of the Company (designated as Joint Managing Director), liable to retire by rotation, for a further period of 5 (five) years with effect from June 01, 2027 upon the terms and conditions including remuneration payable to him as set out in the explanatory statement annexed to the Notice convening this Annual General Meeting, with an authority in favour of the Nomination and Remuneration Committee and the Board to alter and vary the terms and conditions of the said appointment including remuneration within limits permissible under the Act.

PROVIDED THAT the total annual remuneration (comprising salary, perquisites, allowances and commission) payable to Shri Harshit Manilal Savla in any financial year shall not exceed the threshold prescribed under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the aggregate annual remuneration payable to all executive directors who are promoters or members of the promoter group shall not exceed 5% (five percent) of the net profits of the Company computed in accordance with Section 198 of the Act;

PROVIDED FURTHER THAT the total managerial remuneration payable by the Company in any financial year shall not exceed the limits prescribed under Section 197 of the Act read with Schedule V thereto.

RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this resolution."

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

Re-appointment of Shri Harit Pragji Shah (DIN: 00005501) as the Whole-time Director of the Company

"RESOLVED THAT pursuant to provisions of sections 196, 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable provisions of 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), the Articles of Association of the Company, and on the basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the re-appointment of Shri Harit Pragji Shah (DIN: 00005501) as the Whole-time Director of the Company, liable to retire by rotation, for a further period of 5 (five) years with effect from June 01, 2027 upon the terms and conditions including remuneration payable to him as set out in the explanatory statement annexed to the Notice convening this Annual General Meeting, with an authority in favour of the Nomination and Remuneration Committee and the Board to alter and vary the terms and conditions of the said appointment including remuneration within limits permissible under the Act.

RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this resolution."

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

Re-appointment of Shri Hasmukh Bhavanji Dedhia (DIN: 07510925) as an Independent Director of the Company for the second term of 5 (five) years

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 ("Act") and the Rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), any other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and on the basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Shri Hasmukh Bhavanji Dedhia (DIN: 07510925), who shall be completing his first term of three years on March 28, 2027 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for the second term of 5 (five) years with effect from March 29, 2027.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Listing Regulations, approval of the members of the Company be and is hereby also granted for continuation of Directorship of Shri Hasmukh Bhavanji Dedhia (DIN: 07510925) as an Independent Director, notwithstanding that he will attain the age of 75 years on June 21, 2030.

RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this resolution."

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

Re-appointment of Shri Sandeep Madhusudan Joshi (DIN: 00516409) as an Independent Director of the Company for the second term of 5 (five) years

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 ("Act") and the Rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), any other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and on the basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Shri Sandeep Madhusudan Joshi (DIN: 00516409) who shall be completing his first term of three years on March 28, 2027 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for the second term of 5 (five) years with effect from March 29, 2027.

RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this resolution."

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

Re-appointment of Shri Ajit Eledath Venugopalan (DIN: 09439069) as an Independent Director of the Company for the second term of 5 (five) years

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 ("Act") and the Rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), any other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and on the basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Shri Ajit Eledath Venugopalan (DIN: 09439069) who shall be completing his first term of three years on March 28, 2027 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for the second term of 5 (five) years with effect from March 29, 2027.

RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this resolution."

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

Approval to Shri Prakash Moreshwar Patil, a Related Party, to hold an Office or Place of Profit in the Company

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, applicable provisions of 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 on the basis of the approval of the Audit Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to Shri Prakash Moreshwar Patil, Promoter of the Company, to hold an office or place of profit in the Company as Management/ Technical Consultant, with effect from October 01, 2026, for a period of 5 (five) years, on the such terms and conditions including payment of professional fees/remuneration exceeding ₹ 2.50 lakhs per month,

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subject to the maximum professional fees/ remuneration not exceeding ₹ 250 lakhs per annum.

RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel be and are hereby authorised to determine and review, from time to time, the terms and conditions of the said office or place of profit subject to approval of the Audit Committee, including the scope of services and remuneration, within the overall limits approved by the Members, and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

Payment of Profit Related Commission to the Non-executive Directors

"RESOLVED THAT pursuant to the provisions of Sections 197, 198, and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Rules") and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s), modification(s), substitution(s) or re-enactment(s) thereof for the time being in force) ("Listing Regulations"), and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors at their respective meetings held on August 27, 2026, and subject to such other approvals, permissions and sanctions as may be required, consent of the Members of the Company be and is hereby accorded for the payment of profit-related commission to the Non-Executive Directors of the Company (including Independent Directors) for a period of three (3) years effective from April 01, 2026 to March 31, 2029 as under:

a) Total commission payable to all Non-Executive Directors cumulatively in any financial year shall not exceed 0.20% (zero point two zero percent) of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013, subject to an individual ceiling up to **₹ 7,50,000/- (Rupees Seven lakhs Fifty Thousand only)** per annum for each individual Non-Executive Director;

b) The exact allocation, proportion, and manner of distribution of commission among the Non-Executive Directors shall be determined annually by the Board of Directors based upon the recommendation of the Nomination and Remuneration Committee based on transparent, objective performance criteria, including individual contribution, committee chairmanship/ membership, meeting attendance, and overall Company performance.

RESOLVED FURTHER THAT in the event the annual remuneration payable to any single Non-Executive Director exceeds fifty percent of the total annual remuneration payable to all Non-Executive Directors in any financial year, the approval of the Members by way of a Special Resolution shall be obtained for that financial year in terms of Regulation 17(6)(ca) of the Listing Regulations.

RESOLVED FURTHER THAT the profit-related commission shall be payable over and above the sitting fees for attending meetings of the Board and its Committees, as well as the reimbursement of actual expenses incurred in the discharge of their duties as Directors, in accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company.

RESOLVED FURTHER THAT the Executive Directors and the Key Managerial Personnel be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

'Aarti Drugs Limited Performance Stock Option Plan 2026' ('PSOP 2026')

"RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013, ("Act") and the Companies (Share Capital and Debentures) Rules, 2014, (each as amended), and other applicable provisions, if any, of the Act and pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB and Sweat Equity Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("LODR Regulations"), the applicable provisions of the Foreign Exchange Management Act, 1999, any rules, guidelines and regulations issued by the Reserve Bank of India, including any amendments(s), statutory modifications(s) or re-enactment thereof and any other applicable laws for the time being in force and

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in accordance with the Memorandum of Association and Articles of Association of the Company and subject to such other consents, permissions, sanctions and approvals as may be necessary and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deem to include any committee(s) thereof, including the Nomination and Remuneration Committee), consent of the Members of the Company be and is hereby accorded to the introduction and implementation of 'Aarti Drugs Performance Stock Option Plan 2026'("PSOP 2026") to create, offer and grant from time to time, in one or more tranches, not exceeding 8,00,000 (Eight lakhs) Performance Stock Options to or for the benefit of such person(s), whether working in India or outside India within the meaning of PSOP 2026, who are in permanent employment of the Company within the meaning of PSOP 2026, including any Director, whether Executive Director or not, including Non-Executive Director, but excluding promoter, promoter group and Independent Directors, a Director who either by himself/ herself or through his/ her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and regulations prevailing from time to time (hereinafter collectively referred to as the "Employees") selected on the basis of criteria decided by the Board under the PSOP 2026, such number of stock options convertible into equity shares of the Company ("Options"), in one or more tranches, as may be decided under the PSOP 2026, exercisable into not more than 8,00,000 (Eight lakhs) equity shares of face value of ₹ 10/- (Rupees Ten Only) each fully paid-up, where one performance stock option would convert into one equity share upon exercise, on such terms and in such manner as the Board or its Nomination & Remuneration Committee may decide in accordance with the provisions of the applicable laws and the provisions of PSOP 2026.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division/undertaking and re-organisation and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the performance stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the PSOP 2026 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to take requisite steps for listing of the equity shares allotted under PSOP 2026 on the Stock Exchanges where the equity shares of the Company are listed in due compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable laws, if any.

RESOLVED FURTHER THAT the Company hereby conforms to the accounting policies prescribed from time to time under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any other applicable laws and regulations to the extent relevant and applicable to the PSOP 2026.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorising or directing to appoint merchant bankers, brokers, solicitors, registrars, investors service centre and other advisors, consultants, agencies or representatives, being incidental to the effective implementation and administration of PSOP 2026 and also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in respect of the above and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT subject to provisions of the applicable laws, the Nomination and Remuneration Committee of the Board be and is hereby authorised

to formulate, vary, modify, alter, revise or amend the necessary terms and conditions of the PSOP 2026 to administer, implement and superintend the PSOP 2026, to settle any questions, difficulties or doubts that may arise in this regard without requiring it to secure any further consent or approval of the members of the Company, to do required acts, deeds, matters and things as may be deemed necessary or expedient in the regard."

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

Grant of stock options under "Aarti Drugs Limited Performance Stock Option Plan 2026" ('PSOP 2026') to the Employees of the Subsidiary Companies, Group Companies and Associate Companies (Present or Future).

"RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013, ("Act") and the Companies (Share Capital and Debentures) Rules, 2014, (each as amended), and other applicable provisions, if any, of the Act and pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB and Sweat Equity Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("LODR Regulations"), the applicable provisions of the Foreign Exchange Management Act, 1999, any rules, guidelines and regulations issued by the Reserve Bank of India, including any amendments(s), statutory modifications(s) or re-enactment thereof and any other applicable laws for the time being in force and in accordance with the Memorandum and Articles of Association of the Company and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such permissions, sanctions and approvals, consent of the members of the Company be and is hereby granted to extend the benefits of 'Aarti Drugs Limited Performance Stock Option Plan 2026' ('PSOP 2026'/ 'Plan') referred to in resolution no. 14 of this Notice and to create, offer, grant and issue, in one or more tranches, stock options to or for the benefit of the employees whether working in India or outside India, who are in the employment of any present and future Subsidiary Companies, Group Companies and Associate Companies including any director, whether Executive or not, including Non-Executive Director, but excluding promoter, promoter group and Independent Directors, a Director who either by himself/ herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and regulations prevailing from time to time (hereinafter collectively referred to as the "Employees"), exercisable into equity shares of the Company in the ratio of 1(One) equity share of the face value of ₹ 10/- (Rupees Ten only) each fully paid-up for every 1(One) stock option, on such terms and conditions as the Board may decide under the Plan in accordance with the SEBI SBEB and Sweat Equity Regulations and other applicable laws.

RESOLVED FURTHER THAT subject to the extent allowed under the applicable laws, the Board be and is hereby authorised to delegate such powers to the Nomination and Remuneration Committee of the Board to formulate, vary, modify, alter, revise or amend the necessary terms and conditions of the PSOP 2026 or to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient and proper to administer, implement and superintend the PSOP 2026, to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company, with a power to further delegate to any executives/officers of the Company, to do required acts, deeds, matters and things as may be deemed necessary or expedient in the regard."

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

Ratification of remuneration of Cost Auditors for FY 2026-27

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 4,00,000/- (Rupees Four lakhs only) per annum plus tax as applicable and reimbursement of out of pocket expenses at actual to be paid to GMVP & Associates LLP, Cost Accountant (Firm Reg. No.:- 000910), being the Cost Auditor appointed by the Board of Directors based on the recommendations of the Audit Committee of the Company, for the conduct of the Audit of cost records and related books maintained by the Company, for the Financial Year 2026-27 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Executive Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this resolution."

Registered Office:
Plot No. N-198, MIDC Tarapur,
Village - Pamtembhi,
Tal. and Dist. Palghar,
Maharashtra - 401 506

Date : August 27, 2026

By Order of the Board

Sd/-
Rushikesh Deole
Company Secretary
ICSI M.No. F12932

NOTICE (CONTD.)

NOTES:

1. The Ministry of Corporate Affairs (MCA) vide its circular dated September 22, 2025, read together with circulars dated September 19, 2024, September 25, 2023, December 28, 2022, May 05, 2022, December 14, 2021, December 08, 2021, January 13, 2021, May 05, 2020, April 13, 2020 and April 08, 2020 (collectively referred to as MCA Circulars) and the Securities and Exchange Board of India vide its circulars dated October 03, 2024, read together with circulars dated October 07, 2023, January 05, 2023, May 13, 2022, January 15, 2021 and May 12, 2020 (collectively referred to as SEBI Circulars) have permitted the holding of the Annual General Meeting (AGM) through VC/OAVM, without physical presence of the members at a common venue. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and MCA Circulars, the 41st AGM of the Company is being held through VC/OAVM. The members can attend and participate in the AGM through VC/OAVM.

   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. Pursuant to the above referred MCA Circulars, the facility, to appoint a proxy to attend and cast vote, for the members is not available for this AGM. However, the body corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.

3. In accordance with the aforesaid MCA and SEBI Circulars and read with section 136 and section 101 along with Regulation 36 of SEBI LODR, 2015, the Notice of 41st AGM along with the Annual Report for FY 2025-26 is being sent by electronic mode to those members whose email addresses are registered with the Company's Registrar & Share Transfer Agents, MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)" ("RTA")/Depositories. A letter containing the web link, along with the exact path to access the complete details of the Annual Report, is being sent to shareholders who have not registered their email address with the Company's RTA or DP. The physical copies of such statements and Notice of AGM will be dispatched only to those shareholders who request for the same.

4. Members may note that the Notice of the 41st AGM along with the Annual Report for FY 2025-26 has also been made available for download on the website of the Company at https://www.aartidrugs.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 AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

5. Since the AGM is being held through VC/OAVM, physical attendance of shareholders has been dispensed with. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. Pursuant to Section 113 of the Act, Institutional/ Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) attending the meeting through VC/ OAVM are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the scrutiniser by email through its registered email address to jpc@mehta-mehta.in with a copy marked to evoting@nsdl.com.

7. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 01, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/ HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020, had fixed March 31, 2021, as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In terms of the SEBI Circular dated July 02, 2025, the shareholders are hereby informed that a Special Window had been opened for re-lodgment of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected/returned/ not attended due to deficiency in the documents/ process or otherwise. The re-lodgment window remained open for a period of six months i.e. from July 07, 2025 till January 06, 2026. Further Special Window is open for a period of one year from February 05, 2026 to February 04, 2027. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in

NOTICE (CONTD.)

physical form were requested to consider converting their holdings to dematerialised form. Members were requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile/ phone numbers, PAN, mandates, nominations and bank details etc., to their Depository Participants ("DPs") in case shares are held by them in electronic form and to the MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) in case the shares are held by them in physical form. Members can contact the Company or the Company's Registrars and Transfer Agents, MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on the Company's website www.aartidrugs.com

8. Shareholders desirous of receiving communication from the Company in electronic form may register their email addresses with their respective depository participants. Further, shareholders are also requested to approach their depository participant to register their email address in their demat account details as per the process defined by the respective depository participant. Members, who hold shares in physical form, are requested to provide their email addresses to the M/s. MUFG Intime India Private Limited (formerly known as "Link Intime India Private Limited") by sending an e-mail at investor.helpdesk@in.mpms.mufg.com or to the Company at investorrelations@aartidrugs.com.

9. 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. The said form can be downloaded from the Company's website www.aartidrugs.com . Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s. MUFG Intime India Private Limited (formerly known as "Link Intime India Private Limited"), in case the shares are held in physical form. Further, if members desire to opt-out/ cancel the nomination and to record a fresh nomination, are requested to submit Form ISR-3 (in case of shares held in physical form) or SH-14 (in case of shares held in electronic mode.

10. SEBI has mandated listed companies to issue securities in dematerialised form only while processing service requests for the issue of duplicate securities certificates; claims from unclaimed suspense accounts; renewal/ exchange of securities certificates; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; and transmission and transposition. In this regard, members are requested to make requests in Form ISR-4. It may be noted that the service request can be processed only, if the respective folio is KYC Compliant.

11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s. MUFG Intime India Private Limited (formerly known as "Link Intime India Private Limited"), the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making the requisite changes.

12. In the 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 will be entitled to vote during the AGM.

13. During the year, the Company has transferred the unclaimed amount of the Final Dividend for the year 2017-18 to the Investor Education and Protection Fund as required under Sections 124 and 125 of the Companies Act, 2013.

14. The Company has uploaded the information in respect of the Unclaimed Dividends, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.aartidrugs.com .

15. The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 contain provisions for the transfer of all shares in respect of which dividend has not been paid and claimed by the shareholders for seven consecutive years or more in the name of Demat Account of the Investor Education and Protection Fund (IEPF) Authority. The Company has communicated individually, to the concerned shareholders whose shares are liable to be transferred to the Demat Account of IEPF Authority under the said rules and also notice for the same was published in Financial Express in (English) and Pratahkal (Marathi) published from Mumbai for taking appropriate action(s). The Company has uploaded full details of such shareholders and shares due for transfer to the Demat Account of IEPF Authority on its website at www.aartidrugs.com under "Investor-Relations Section."

16. Attention of the members is invited to the provisions of Section 124(6) of the Companies Act, 2013 with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time ("IEPF Rules"), which inter alia requires the Company to transfer the equity shares, on which the dividend has remained unpaid and unclaimed for a continuous period of seven years, to IEPF. The said Shares, once transferred to IEPF can be claimed after following due procedure prescribed under the IEPF Rules.

17. To register an email address for all future correspondence and update the bank account details, please follow the below process:

Physical Holding	Send a request to M/s. MUFG Intime India Private Limited (formerly known as "Link Intime India Private Limited") at investor.helpdesk@in.mpms.mufg.com: To register e-mail address, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card) To update bank account details, please send the following additional documents/ information followed by the hard copies: a) Name of the bank and branch address b) Type of bank account i.e., savings or current c) Bank account no. allotted after implementation of core banking solutions d) 9-digit MICR code no., and e) 11-digit IFSC code f) Original cancelled cheque bearing the name of the first shareholder, failing which a copy of the bank passbook/statement attested by bank
Demat Holding	Please contact your DP and follow the process advised by your DP

18. Since the AGM will be held through VC/OAVM, the Route Map does not form part of the Notice. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business at item nos. 3 to 16 above is annexed hereto and forms part of the Notice.

19. Relevant documents referred to in the Notice, Register of Directors/Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act 2013 and Register of Contracts maintained under Section 189 of the Companies Act 2013 and other relevant registers 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 by sending an email to investorrelations@aartidrugs.com till the date of the AGM.

20. Members seeking any information with regard to Financial Statements or any matters to be placed at the AGM, are requested to write to the Company at least 5 days before the date of AGM through email at investorrelations@aartidrugs.com. The same will be replied by the Company suitably.

21. Pursuant to the Income-tax Act, 2025 any dividends paid or distributed by a company is taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to the members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Income-tax Act, 2025 and the Finance Act, as amended from time to time. In general, to enable compliance with TDS requirements, members are requested to complete and/or update their Residential status, PAN, Category with their depository participants ('DPs') or in case shares are held in physical form, with the Company/Registrars and Transfer Agents ('RTA').

22. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023 and SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated, December 28, 2023 read with Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/202 dated February 06, 2026, has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, 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 ODR Portal (https://smartodr.in/login).

23. **Voting through Electronic Means:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and circulars issued by the Ministry of Corporate Affairs from time to time the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.

The members, whose names appear in the Register of Members /list of Beneficial Owners as on **Saturday, September 19, 2026** are entitled to vote on the resolutions, set forth in this Notice. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the 'cut-off date' of **Saturday, September 19, 2026**. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut- off date i.e. **Saturday, September 19, 2026** may obtain the login ID and password by sending a request at investor.helpdesk@in.mpms.mufg.com and/ or evoting@nsdl.com. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in Demat mode and who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in Demat mode."

The Board of Directors of the Company have appointed Ms Monali Bhandari, Practicing Company Secretary (Membership No.: ACS 27091) failing her Shri Jagdish Patel, Practicing Company Secretary (Membership No.: FCS 2613) as the Scrutiniser to scrutinise the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

The Scrutiniser shall, immediately after the conclusion of voting at the Meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and at the meeting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 2 working days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.

The results along with the Scrutinisers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

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

The remote e-voting period commences at 9:00 A.M. (IST) on Wednesday, September 23, 2026 and ends at 5:00 P.M. (IST) on Friday, September 25, 2026. 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. Saturday, September 19, 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 Saturday, September 19, 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 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 use your existing Myeasi 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. 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 above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically 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 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.in 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 Shri Amit Vishal, Deputy Vice President, NSDL 022-2499 4360 or email at amitv@nsdl.com or Ms. Pallavi Mhatre, Senior Manager, NSDL, 022-2499 4545 or email at pallavid@nsdl.com or 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@aartidrugs.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@aartidrugs.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 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.

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

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.

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

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

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see a link of "VC/ OAVM" placed under the "Join meeting" menu against the Company name. You are requested to click on the VC/OAVM link placed under the Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of the 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 the Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investorrelations@aartidrugs.com. The same will be replied by the Company suitably. Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request from their registered email ID mentioning their name, demat account number/ folio number, PAN, mobile number at investorrelations@aartidrugs.com at least 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.
6. Members can raise questions at the AGM through a chat box and they are requested to frame their questions precisely.
7. Once the Member clicks the link for VC/ OAVM in shareholder/members login where the EVEN of Company will be displayed, Members will be able to view AGM VC/OAVM proceedings along with the chat box. The questions raised by the Members will be replied to by the Company suitably.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3 AND 4

Shri Uday Moreshwar Patil (DIN: 01186406), Director of the Company is liable to retire by rotation at the conclusion of this Annual General Meeting and has not offered himself for re-appointment as a Director of the Company.

In view of the above, the Board of Directors ("Board") of the Company, at its meeting held on July 31, 2026, based on the recommendation of the Nomination and Remuneration Committee, has approved the proposal for the appointment of Shri Nilesh Bhalchandra Patil (DIN: 08616943) as Director of the Company, liable to retire by rotation, and Whole-time Director of the Company, for a period of five (5) years from September 26, 2026 to September 25, 2031.

Shri Nilesh Bhalchandra Patil, aged 56 years, holds a Bachelor of Commerce (B.Com.) degree and a Master of Business Administration (MBA) in Human Resource Management. He has been associated with the Company for over 33 years and is presently serving as General Manager – Administration. During his long association with the Company, he has gained extensive experience in the pharmaceutical and chemical industry and has developed a thorough understanding of the Company's operations and administrative functions.

In his present role, he is responsible for overseeing the Company's warehouse operations, coordinating and liaising with various statutory and regulatory authorities and managing general factory operations & administration. His extensive experience and long-standing association with the Company provide him with a sound understanding of its operational and administrative requirements and equip him to effectively discharge the responsibilities entrusted to him as a Whole-time Director.

Considering his educational qualifications, long-standing association with the Company and extensive experience in the aforesaid areas, the Nomination & Remuneration Committee and Board considers, Shri Nilesh Bhalchandra Patil to be a suitable and well-qualified candidate to succeed Shri Uday M. Patil as Whole-time Director.

The brief details about the proposed remuneration and other terms of appointment of Shri Nilesh Bhalchandra Patil as the Whole time Director are given herein below:

1. **Tenure/ Term:** September 26, 2026 to September 25, 2031
2. **Remuneration:** effective from September 26, 2026

a) **Salary:** ₹ 45 lakhs per annum.

The Board of Directors shall have specific authority to determine the Annual increment payable to him, subject to recommendation/approval by the Nomination and Remuneration Committee, up to an amount not exceeding ₹ 70 lakhs per annum, taking into consideration various factors such as inflation, general increases recommended for other executives and the business context.

b) **Perquisites/Allowances:** In addition to Salary, Shri Nilesh Patil shall be entitled to the following perquisites/allowances such as 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, provision of car for the business of the Company, personal accident insurance; Bonus, ex-gratia incentives, assignment of key man or other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board of Directors from time to time, in consultation with the Nomination and Remuneration Committee of the Company.

Explanation: "Family "means the spouse, the dependent children and dependent parents of the Director.

The perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling limits set out in Sections 196, 197 read with Schedule V of the Companies Act, 2013 for the time being in force.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

a) Contribution to provident fund, super annuation fund or annuity fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 2025.

b) Gratuity payable at rate not exceeding half a month's salary for each completed year of service.

c) Encashment of leave at the end of the tenure.

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For the purposes of calculating the ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be valued at actual cost.

Provision for use of the Company's car for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

3. Shri Nilesh Bhalchandra Patil shall not be paid any sitting fees for attending the Meetings of the Board of Directors and/or Committee(s) thereof.
4. Severance and Notice Period shall be in line with the Company's policy applicable to the employees of the Company.
5. The terms and conditions of the said appointment and/or remuneration and/or agreement may be altered and varied from time to time, by the Board of Directors so as not to exceed the limits set out in Sections 196, 197 read with Schedule V of the Companies Act, 2013 [including any statutory modifications or re-enactment thereof], for the time being in force or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time, or any amendments thereto.

The draft agreement to be entered into between the Company and Shri Nilesh Bhalchandra Patil broadly having abovementioned terms is open for inspection by Members at the Registered Office of the Company on all working days between 11:00 AM and 1:00 PM up to the date of this Annual General Meeting.

Shri Nilesh Bhalchandra Patil is not disqualified from being appointed as a Director in terms of Section 164 of the Act and satisfies all conditions specified under Schedule V of the Companies Act, 2013. He has submitted his consent to act as Whole-time Director and confirmed that he is not barred or restrained from holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India (SEBI) or any other regulatory authority. He fulfills the 'Fit and Proper' criteria laid down under applicable statutory guidelines and circulars.

Shri Nilesh Bhalchandra Patil is not related to any director or Key Managerial Personnel of the Company. He is not a promoter or person belonging to the promoter group of the Company.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose the candidature of Shri Nilesh Bhalchandra Patil for the office of Director of the Company. Shri Nilesh Bhalchandra Patil has furnished his consent in Form DIR-2 to act as a Director and a declaration in Form DIR-8 that he is not disqualified under Section 164(2) of the Act.

Shri Nilesh Bhalchandra Patil is interested in the resolution pertaining to the respective appointment and related agreements. Relatives of Shri Nilesh Bhalchandra Patil may be deemed to be interested in the said resolution to the extent of their respective shareholdings, if any, in the Company.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions.

Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as Annexure- I.

Your Board thus recommends the Resolution at Item No. 3 and 4 for your approval as an Ordinary Resolution.

ITEM NO. 5 AND 6

The term of office of Shri Prakash Moreshwar Patil (DIN: 00005618), Chairman, Managing Director and Chief Executive Officer (CEO) of the Company, was originally scheduled to expire on May 31, 2027. However, Shri Prakash Moreshwar Patil communicated his desire for early retirement and requested to step down from his executive responsibilities with effect from the close of business hours on September 30, 2026. He stated that he considered it an appropriate time to facilitate an orderly leadership transition. The Board, while accepting his request for early retirement, also requested him to continue his association with the Company for providing guidance, strategic support and facilitating a smooth leadership transition.

In view of the above leadership transition, the Board of Directors ("Board") of the Company, at its meeting held on July 31, 2026, based on the recommendation of the Nomination and Remuneration Committee, has approved the proposal for appointment of Shri Adhish Prakash Patil (DIN: 02629496) as Managing Director of the Company for a period of five (5) years with effect from October 01, 2026, subject to the approval of the Members of the Company.

Shri Adhish Prakash Patil has been associated with the Company as Chief Financial Officer since April 2014 and has played a pivotal role in the Company's growth and operational excellence over the years. During his tenure, he has been instrumental in leading the Company's finance, technical and commercial functions, demonstrating strong leadership and strategic vision. In recognition of his significant contributions and as part of the Company's leadership transition, the Board, based on the recommendation of the Nomination and Remuneration Committee, has approved his appointment as Managing Director of the Company with effect from October 01, 2026.

Shri Adhish Prakash Patil is a proven leader with 21 years of experience in Manufacturing Operations, Finance, Investor Relations, Regulatory Compliance, Consulting, Systems Engineering and Information Technology for the Pharmaceutical and Consulting industries. He holds a Bachelor of Engineering (IT) degree from Mumbai University and an MBA in Finance & Marketing from the University of Florida's Warrington College of Business Administration, where he was a Gold Medallist. He has experience in managing production efficiencies, projects, financial operations, ERP implementation, automation for regulatory compliances for a publicly traded pharmaceutical company, as well as company operations and project management.

Considering his educational qualifications, long-standing association with the Company and extensive experience in the aforesaid areas, the Nomination & Remuneration Committee and Board considers, Shri Adhish Prakash Patil to be a suitable and well-qualified candidate to discharge the duties of the position.

The brief details about the proposed remuneration and other terms of appointment of Shri Adhish Prakash Patil as the Managing Director are given herein below:

1. **Tenure/ Term:** October 01, 2026 to September 30, 2031
2. **Remuneration:** effective from October 01, 2026
   a) **Salary:** Fixed Salary of ₹ 100.29 lakhs per annum.

      The Board of Directors shall have specific authority to determine the Annual increment payable to him, subject to recommendation/approval by the Nomination and Remuneration Committee, up to an amount not exceeding ₹ 170 lakhs per annum, taking into consideration various factors such as inflation, general increases recommended for other executives and the business context.

   b) **Performance linked incentives/ Profit related Commission:** Shri Adhish Prakash Patil shall be entitled to be paid proportionate share in aggregate commission upto 3.2% of the net profit of the Company as calculated in accordance with the provision of Section 198 of the Companies Act, 2013, provided that the aggregate commission payable to all the Executive Director(s) of the Company taken together shall not exceed 3.2% (three point two percent) of such net profits in any financial year. The determination of the commission payable to him within the aforesaid aggregate ceiling of 3.2% of net profits shall be made by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. Such commission shall be payable on quarterly basis.

   c) **Perquisites/Allowances:** In addition to Salary and Commission, Shri Adhish Prakash Patil shall be entitled to the following perquisites/allowances such as 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, provision of car for the business of the Company, personal accident insurance; Bonus, ex-gratia incentives, assignment of key man or other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board of Directors from time to time, in consultation with the Nomination and Remuneration Committee of the Company.

Explanation: "Family "means the spouse, the dependent children and dependent parents of the Director.

The perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling limits set out in Sections 196, 197 read with Schedule V of the Companies Act, 2013 for the time being in force.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

a) Contribution to provident fund, super annuation fund or annuity fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 2025.

b) Gratuity payable at rate not exceeding half a month's salary for each completed year of service.

c) Encashment of leave at the end of the tenure.

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For the purposes of calculating the ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be valued at actual cost.

Provision for use of the Company's car for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

3. Shri Adhish Prakash Patil shall not be paid any sitting fees for attending the Meetings of the Board of Directors and/or Committee(s) thereof.

4. Severance and Notice Period shall be in line with the Company's policy applicable to the employees of the Company.

5. The terms and conditions of the said appointment and/or remuneration and/or agreement may be altered and varied from time to time, by the Board of Directors so as not to exceed the limits set out in Sections 196, 197 read with Schedule V of the Companies Act, 2013 and threshold prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations [including any statutory modifications or re-enactment thereof], for the time being in force or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time, or any amendments thereto.

The draft agreement to be entered into between the Company and Shri Adhish Prakash Patil broadly having abovementioned terms is open for inspection by Members at the Registered Office of the Company on all working days between 11:00 AM and 1:00 PM up to the date of this Annual General Meeting.

Shri Adhish Prakash Patil is not disqualified from being appointed as a Director in terms of Section 164 of the Act and satisfies all conditions specified under Schedule V of the Companies Act, 2013. He has submitted his consent to act as the Managing Director and confirmed that he is not barred or restrained from holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India (SEBI) or any other regulatory authority. He fulfills the 'Fit and Proper' criteria laid down under applicable statutory guidelines and circulars.

Shri Adhish Prakash Patil is relative of Shri Prakash M. Patil Chairman, Managing Director & CEO of the Company. He is also a person belonging to the Promoter Group of the Company.

Shri Adhish Prakash Patil is interested in the resolution pertaining to the respective appointment and related agreements. Shri Prakash Moreshwar Patil, Managing Director, being related to him is interested in the resolution. The other relatives of Shri Adhish Prakash Patil may be deemed to be interested in the said resolution to the extent of their respective shareholdings, if any, in the Company.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolutions.

Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as Annexure- I.

Your Board thus recommends the Resolution at Item No. 5 and 6 for your approval as an Ordinary Resolution.

ITEM NO. 7

The terms of appointment of Shri Harshit Manilal Savla (DIN: 00005340) as Joint Managing Director will expire on May 31, 2027. The Board of Directors (Board) of the Company at its meeting held on July 31, 2026, based on the recommendation of the Nomination and Remuneration Committee, has approved the proposal of re-appointment of Shri Harshit Manilal Savla as the Managing Director (designated as Joint Managing Director) of the Company for a period of 5 (five) years with effect from June 01, 2027 subject to the approval of the Members of the Company.

Shri Harshit Manilal Savla has been associated with the Company since 1987. He is a Commerce Graduate having more than 39 years of experience in Finance, Exports, HR and Administration. He played a crucial role in expanding the API and Formulation business of the Company. As per the report of his annual performance evaluation, Industry knowledge, acumen, integrity, expertise, experience, proficiency, positive attributes, and contributions made by him, the Board of Directors recommend his reappointment.

The brief details about the proposed remuneration and other terms of appointment of Shri Harshit Manilal Savla as the Jt. Managing Director are given herein below:

1. **Tenure/ Term:** June 01, 2027 to May 31, 2032
2. **Remuneration:**
   a) **Salary:** Fixed Salary of ₹ 100.29 lakhs per annum.

      The Board of Directors shall have specific authority to determine the Annual increment payable to him, subject to recommendation/approval by the Nomination and Remuneration Committee, up to an amount not exceeding ₹ 170 lakhs per annum, taking into consideration various factors such as inflation, general increases recommended for other executives and the business context.

   b) **Performance linked incentives/ Profit related Commission:** Shri Harshit Manilal Savla shall be entitled to be paid proportionate share in aggregate commission upto 3.2% of the net profit of the Company as calculated in accordance with the provision of Section 198 of the Companies Act, 2013, provided that the aggregate commission payable to all the Executive Director(s) of the Company taken together shall not exceed 3.2% (three point two percent) of such net profits in any financial year. The determination of the commission payable to him within the aforesaid aggregate ceiling of 3.2% of net profits shall be made by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. Such commission shall be payable on quarterly basis.

   c) **Perquisites/Allowances:** In addition to Salary and Commission, Shri Harshit Manilal Savla shall be entitled to the following perquisites/allowances such as 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, provision of car for the business of the Company, personal accident insurance; Bonus, ex-gratia incentives, assignment of key man or other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board of Directors from time to time, in consultation with the Nomination and Remuneration Committee of the Company.

Explanation: "Family "means the spouse, the dependent children and dependent parents of the Director.

The perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling limits set out in Sections 196, 197 read with Schedule V of the Companies Act, 2013 for the time being in force.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

   a) Contribution to provident fund, super annuation fund or annuity fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 2025.

   b) Gratuity payable at rate not exceeding half a month's salary for each completed year of service.

   c) Encashment of leave at the end of the tenure.

   For the purposes of calculating the ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be valued at actual cost.

   Provision for use of the Company's car for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

3. Shri Harshit Manilal Savla shall not be paid any sitting fees for attending the Meetings of the Board of Directors and/or Committee(s) thereof.

4. Severance and Notice Period shall be in line with the Company's policy applicable to the employees of the Company.

5. The terms and conditions of the said appointment and/or remuneration and/or agreement may be altered and varied from time to time, by the Board of Directors so as not to exceed the limits set out in Sections 196, 197 read with Schedule V of the Companies Act, 2013 and threshold prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations [including any statutory modifications or re-enactment thereof], for the time being in force or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time, or any amendments thereto.

   The draft agreement to be entered into between the Company and Shri Harshit Manilal Savla broadly having abovementioned terms is open for inspection by Members at the Registered Office of the Company on all working days between 11:00 AM and 1:00 PM up to the date of this Annual General Meeting.

   Shri Harshit Manilal Savla is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and satisfies all conditions specified under Schedule V of the Companies Act, 2013. He has submitted his consent to act as Jt. Managing Director and confirmed that he is not barred or restrained from

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holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India (SEBI) or any other regulatory authority. He fulfills the 'Fit and Proper' criteria laid down under applicable statutory guidelines and circulars.

Shri Harshit Manilal Savla is interested in the resolution pertaining to his re-appointment and related agreements. Relatives of Shri Harshit Manilal Savla may be deemed to be interested in the said resolution to the extent of their respective shareholdings, if any, in the Company. Further, Shri Harshit Manilal Savla is one of the Promoter of the Company.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said.

Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as Annexure- I.

Your Board thus recommends the Resolution at Item No. 7 for your approval as an Ordinary Resolution.

ITEM NO. 8

The terms of appointment of Shri Harit Pragji Shah (DIN: 00005501) as Whole-time Director will expire on May 31, 2027. The Board of Directors (Board) of the Company at meeting held on July 31, 2026, based on the recommendation of the Nomination and Remuneration Committee, has approved the proposal of re-appointment of Shri Harit Pragji Shah as the Whole-time Director of the Company for a period of 5 (five) years with effect from June 01, 2027 subject to the approval of the Members of the Company.

Shri Harit Pragji Shah has been Executive Director of the Company since September 1995. He is a Commerce Graduate and has experience of more than 39 years in the handling commercial functions encompassing Sales, Purchases and Exports. He looks after local sales and exports as well. He has in-depth knowledge of the pharmaceutical industry. As per the report of his annual performance evaluation, Industry knowledge, acumen, integrity, expertise, experience, proficiency, positive attributes, and contributions made by him, the Board of Directors recommend his reappointment.

The brief details about the proposed remuneration and other terms of appointment of Shri Harit Pragji Shah as the Whole-time Director are given herein below:

1. **Tenure/ Term:** June 01, 2027 to May 31, 2032
2. **Remuneration:**

a) **Salary:** Fixed Salary of ₹ 100.29 lakhs per annum.

The Board of Directors shall have specific authority to determine the Annual increment payable to him, subject to recommendation/approval by the Nomination and Remuneration Committee, up to an amount not exceeding ₹ 170 lakhs per annum, taking into consideration various factors such as inflation, general increases recommended for other executives and the business context.

b) **Performance linked incentives/ Profit related Commission:** Shri Harit Pragji Shah shall be entitled to be paid proportionate share in aggregate commission upto 3.2% of the net profit of the Company as calculated in accordance with the provision of Section 198 of the Companies Act, 2013, provided that the aggregate commission payable to all the Executive Director(s) of the Company taken together shall not exceed 3.2% (three point two percent) of such net profits in any financial year. The determination of the commission payable to him within the aforesaid aggregate ceiling of 3.2% of net profits shall be made by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. Such commission shall be payable on quarterly basis.

c) **Perquisites/Allowances:** In addition to Salary and Commission, Shri Harit Pragji Shah shall be entitled to the following perquisites/allowances such as 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, provision of car for the business of the Company, personal accident insurance; Bonus, ex-gratia incentives, assignment of key man or other insurance policies obtained by the Company and such other perquisites and special allowances as may be determined by the Board of Directors from time to time, in consultation with the Nomination and Remuneration Committee of the Company.

Explanation: "Family "means the spouse, the dependent children and dependent parents of the Director.

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The perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling limits set out in Sections 196, 197 read with Schedule V of the Companies Act, 2013 for the time being in force.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

a) Contribution to provident fund, super annuation fund or annuity fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 2025.

b) Gratuity payable at rate not exceeding half a month's salary for each completed year of service.

c) Encashment of leave at the end of the tenure.

For the purposes of calculating the ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be valued at actual cost.

Provision for use of the Company's car for official duties shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

3. Shri Harit Pragji Shah shall not be paid any sitting fees for attending the Meetings of the Board of Directors and/or Committee(s) thereof.
4. Severance and Notice Period shall be in line with the Company's policy applicable to the employees of the Company.
5. The terms and conditions of the said appointment and/or remuneration and/or agreement may be altered and varied from time to time, by the Board of Directors so as not to exceed the limits set out in Sections 196, 197 read with Schedule V of the Companies Act, 2013 [including any statutory modifications or re-enactment thereof], for the time being in force or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time, or any amendments thereto.

The draft agreement to be entered into between the Company and Shri Harit Pragji Shah broadly having abovementioned terms is open for inspection by Members at the Registered Office of the Company on all working days between 11:00 AM and 1:00 PM up to the date of this Annual General Meeting.

Shri Harit Pragji Shah is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and satisfies all conditions specified under Schedule V of the Companies Act, 2013. He has submitted his consent to act as Whole-time Director and confirmed that he is not barred or restrained from holding the office of Director by virtue of any order passed by the Securities and Exchange Board of India (SEBI) or any other regulatory authority. He fulfills the 'Fit and Proper' criteria laid down under applicable statutory guidelines and circulars.

Shri Harit Pragji Shah is not related to any director or Key Managerial Personnel of the Company. He is not a promoter or person belonging to the promoter group of the Company.

Shri Harit Pragji Shah is interested in the resolution pertaining to his re-appointment and related agreements. Relatives of Shri Harit Pragji Shah may be deemed to be interested in the said resolution to the extent of their respective shareholdings, if any, in the Company.

Save and except the above, none of the other 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.

Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as Annexure- I.

Your Board thus recommends the Resolution at Item No. 8 for your approval as an Ordinary Resolution.

ITEM NO. 9

Shri Hasmukh Bhavanji Dedhia (DIN: 07510925) has been associated with the Company as an Independent Director since March 29, 2024 and shall complete his first term of three years on March 28, 2027. On the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on July 31, 2026, approved the re-appointment of Shri Hasmukh Bhavanji Dedhia as an Independent Director for a second term of 5 (five) years with effect from March 29, 2027, subject to approval of the members of the Company.

Shri Hasmukh Bhavanji Dedhia, aged 71 is a Chartered Accountant and also holds a DISA (ICAI). He has around 42 years of experience. He is experienced in handling Audits, Due Diligence, Consultancy and Business Restructuring.

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He also possesses rich experience in the fields of Internal Auditing and Control Enhancement Aspects.

It is further noted that Shri Hasmukh Bhavanji Dedhia will attain the age of 75 years during the proposed second term, on June 21, 2030. Accordingly, pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the continuation of Shri Hasmukh Bhavanji Dedhia as a Non-Executive Independent Director, beyond the age of 75 years during the proposed second term is being placed before the members for their approval by way of a Special Resolution. The Board is of the view that his continued association with the Company, including beyond the age of 75 years, would be in the best interest of the Company, considering his extensive professional experience of around 42 years, expertise in audit, due diligence, business restructuring and governance, and his valuable contribution to the deliberations of the Board and its Committees. His independent judgement, professional competence and familiarity with the Company's affairs would provide continuity and valuable guidance to the Board. Accordingly, the Board considers his continued association as an Independent Director beyond the age of 75 years to be justified and desirable in the interest of the Company and its stakeholders.

As per the report of his annual performance evaluation, Industry knowledge, acumen, integrity, expertise, experience, proficiency, positive attributes, and contributions made by him, the Board of Directors recommend his reappointment for the second term. In the opinion of the Board, Shri Hasmukh Bhavanji Dedhia is 'fit and proper' to continue as an Independent Director and is independent of the management.

Shri Hasmukh Bhavanji Dedhia has conveyed his consent to continue to act as an Independent Director together with other necessary disclosures and declarations including the declaration that he is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. He further declared that he meets the criteria of independence as provided in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The said appointment is proposed subject to his continuation to meet the criteria of Independence.

A copy of the letter of appointment to be issued to Shri Hasmukh Bhavanji Dedhia, setting out the terms and conditions thereof, is available for inspection, without any fee to be paid by the members, at the Registered Office of the Company during business hours (11:00 am to 1:00 pm) on any working day until the date of this AGM.

Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as Annexure- I.

None of the Directors other than Shri Hasmukh Bhavanji Dedhia, and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Shri Hasmukh Bhavanji Dedhia may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

Your Board thus recommends the Resolution at Item No. 9 for your approval as a Special Resolution.

ITEM NO. 10

Shri Sandeep Madhusudan Joshi (DIN: 00516409) has been associated with the Company as an Independent Director since March 29, 2024 and shall complete his first term of three years on March 28, 2027. On the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on July 31, 2026, approved the re-appointment of Shri Sandeep Madhusudan Joshi as an Independent Director for a second term of 5 (five) years with effect from March 29, 2027, subject to approval of the members of the Company.

Shri Sandeep Madhusudan Joshi is a graduate in Chemistry from Mumbai University and completed his M.B.A from Symbiosis Institute of Business Management, Pune. He has 32+ years of experience in export marketing and business development with companies in India and abroad.

As per the report of his annual performance evaluation, Industry knowledge, acumen, integrity, expertise, experience, proficiency, positive attributes, and contributions made by him, the Board of Directors recommend his reappointment for the second term. In the opinion of the Board, Shri Sandeep Madhusudan Joshi is 'fit and proper' to continue as an Independent Director and is independent of the management.

Shri Sandeep Madhusudan Joshi has conveyed his consent to continue to act as an Independent Director together with other necessary disclosures and declarations including the declaration that he is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. He further declared that he meets the criteria of independence as provided in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The said appointment is proposed subject to his continuation to meet the criteria of Independence.

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A copy of the letter of appointment to be issued to Shri Sandeep Madhusudan Joshi, setting out the terms and conditions thereof, is available for inspection, without any fee to be paid by the members, at the Registered Office of the Company during business hours (11:00 am to 1:00 pm) on any working day until the date of this AGM.

Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as Annexure- I.

None of the Directors other than Shri Sandeep Madhusudan Joshi, and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Shri Sandeep Madhusudan Joshi may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

Your Board thus recommends the Resolution at Item No. 10 for your approval as a Special Resolution.

ITEM NO. 11

Shri Ajit Eledath Venugopalan (DIN: 09439069) has been associated with the Company as an Independent Director since March 29, 2024 and shall complete his first term of three years on March 28, 2027. On the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on July 31, 2026, approved the re-appointment of Shri Ajit Eledath Venugopalan as an Independent Director for a second term of 5 (five) years with effect from March 29, 2027, subject to approval of the members of the Company.

Shri Ajit Eledath Venugopalan, aged 62 is a Chartered Accountant. He is banking professional with 32+ years of experience in the Banking and Finance domain. He served as Managing Director at SVC Co-op Bank Limited. He is also an advisor to the Central Rating Committee of Brickwork Ratings.

As per the report of his performance evaluation, Industry knowledge, acumen, integrity, expertise, experience, proficiency, positive attributes, and contributions made by him, the Board of Directors recommend his reappointment for the second term. In the opinion of the Board, Shri Ajit Eledath Venugopalan is 'fit and proper' to continue as an Independent Director and is independent of the management.

Shri Ajit Eledath Venugopalan has conveyed his consent to continue to act as an Independent Director together with other necessary disclosures and declarations including the declaration that he is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. He further declared that he meets the criteria of independence as provided in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The said appointment is proposed subject to his continuation to meet the criteria of Independence.

A copy of the letter of appointment to be issued to Shri Ajit Eledath Venugopalan, setting out the terms and conditions thereof, is available for inspection, without any fee to be paid by the members, at the Registered Office of the Company during business hours (11:00 am to 1:00 pm) on any working day until the date of this AGM.

Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is attached as Annexure- I.

None of the Directors other than Shri Ajit Eledath Venugopalan, and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Shri Ajit Eledath Venugopalan may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

Your Board thus recommends the Resolution at Item No. 11 for your approval as a Special Resolution.

ITEM NO. 12

Shri Prakash Moreshwar Patil has been associated with the Company since its inception and has played a pivotal role in its growth, development and transformation into a leading pharmaceutical company. He is currently serving as the Chairman, Managing Director and Chief Executive Officer (CEO) of the Company and has made significant contributions towards strengthening the Company's business, strategic development and overall growth.

He possesses extensive knowledge and experience of the pharmaceutical and chemical industries, as well as in-depth understanding of the Company's business and operations. He holds a degree in Chemical Engineering from the Institute of Chemical Technology (ICT), formerly known as the University Department of Chemical Technology. He has over 53 years of experience in the Chemical and Pharmaceutical industry and has extensive expertise in Product Identification, Project Conceptualisation, Planning, Project Engineering and Implementation.

His strong technical expertise, industry knowledge and entrepreneurial vision have been instrumental in the

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establishment, expansion and development of the Company and have contributed significantly to its emergence as one of the leading pharmaceutical companies.

The Board, at its meeting held on July 31, 2026, approved the early retirement of Shri Prakash Moreshwar Patil from the position of Chairman, Managing Director and Chief Executive Officer (CEO) with effect from the close of business hours on September 30, 2026. The Board, while accepting his request for early retirement, also requested him to continue his association with the Company for providing guidance, strategic support and facilitating a smooth leadership transition.

Accordingly, considering his extensive experience, institutional knowledge, strategic understanding of the Company's business and long-standing relationships with various stakeholders, it is proposed to appoint Shri Prakash Moreshwar Patil as Management/ Technical Consultant of the Company, for a period of 5 (five) years, with effect from October 01, 2026.

The Audit Committee and Board of Directors, at their respective meetings held on July 31, 2026, has approved the proposal for the appointment of Shri Prakash M. Patil as Management/Technical Consultant with effect from October 01, 2026, whereby professional fees/remuneration payable to him shall be not exceeding ₹ 250 lakhs per annum.

The aforesaid appointment constitutes an appointment to an office or place of profit in the Company. Since the proposed professional fees/remuneration exceeds ₹ 2.50 lakhs per month, the appointment requires the prior approval of the members of the Company in accordance with Section 188 of the Companies Act, 2013, read with the rules made thereunder.

The information as required in accordance with Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular No. HO/49/14/14(7)2025-CFDPOD2/I/3762/2026 dated January 30, 2026 are as under:-

Name of the related party	**Shri Prakash Moreshwar Patil**
Name of the director or key managerial personnel who is related, if any	Shri Uday Moreshwar Patil, Whole-time Director and Shri Adhish Prakash Patil, Chief Financial Officer of the Company.
Nature of relationship	Shri Prakash Moreshwar Patil is present Chairman, Managing Director and CEO of the Company. He is also Promoter of the Company. Further, Shri Uday Moreshwar Patil is the brother and Shri Adhish Prakash Patil is the son of Shri Prakash Moreshwar Patil
Nature, material terms, monetary value and particulars of the contract or arrangement	It is proposed to appoint Shri Prakash Moreshwar Patil as Management/ Technical Consultant of the Company, for a period of 5 (five) years, with effect from October 01, 2026, whereby professional fees/remuneration payable to him shall be not exceeding ₹ 250 lakhs per annum. The consultancy services would primarily include providing strategic guidance, business advice, support in leadership transition, mentoring and such other advisory assistance as may be required by the Company from time to time.
A summary of the information provided by the management of the Company to the Audit Committee	Management informed the Audit Committee that Shri Prakash Moreshwar Patil, considering his long-standing association, extensive industry experience, institutional knowledge and strategic understanding of the Company, is proposed to be appointed as Management/ Technical Consultant, for a period of 5 (five) years, w.e.f. October 01, 2026, following his early retirement as Chairman, Managing Director and CEO w.e.f. September 30, 2026. The consultancy services would primarily include providing strategic guidance, business advice, support in leadership transition, mentoring and such other advisory assistance as may be required by the Company from time to time with professional fees not exceeding ₹ 250 lakhs per annum. The proposed transaction represents 0.097% of the Company's annual consolidated turnover and not a material in nature pursuant to Regulation 23(1) of Listing Regulations. The aforesaid transaction considered to be in the interest of the Company for ensuring continuity and leveraging his experience and stakeholder relationships.

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Name of the related party	**Shri Prakash Moreshwar Patil**
Justification for why the proposed transaction is in the interest of the Company	Shri Prakash Moreshwar Patil has been associated with the Company since its inception and has extensive knowledge of the Company's business, operations, strategy and stakeholder relationships. His continued association in an advisory capacity would facilitate continuity, provide strategic guidance and support the Company's leadership transition. Considering his extensive experience and institutional knowledge, the proposed consultancy arrangement is considered to be in the interest of the Company.
Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details specified under Para 4(f) of abovementioned SEBI circular	N.A
A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders	N.A

Shri Prakash Moreshwar Patil is Promoter of the Company. Shri Prakash Moreshwar Patil is interested in the resolution pertaining to the respective appointment and related agreements. Shri Uday Moreshwar Patil, Whole-time Director, who is the brother of Shri Prakash Moreshwar Patil, may be deemed to be interested in the said resolution to the extent of his shareholding in the Company. Shri Adhish Prakash Patil, Chief Financial Officer, who is the son of Shri Prakash Moreshwar Patil, may be deemed to be interested in the said resolution to the extent of his shareholding in the Company. Other relatives of Shri Prakash Moreshwar Patil may be deemed to be interested in the said resolution to the extent of their respective shareholdings, if any, in the Company.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

Your Board thus recommends the Resolution at Item No. 12 for your approval as an Ordinary Resolution.

ITEM NO. 13

Pursuant to the provisions of Sections 197 and 198, and other relevant provisions of the Companies Act, 2013, Regulation 17(6) of the Listing Regulations, the Nomination and Remuneration Committee and the Board of Directors recommend for the approval of the members, the proposal pertaining to payment of profit-related commission to the Non-executive Directors.

The Company's Non-executive Directors are renowned professionals with proven domain expertise and extensive experience across diverse functional areas, including industry and business operations, technology, sales and marketing, leadership, global business, finance and banking, legal, governance and compliance. With their rich and varied experience and an industry-wide external perspective, they make invaluable contributions to shaping the Company's strategic direction, strengthening governance and oversight, identifying and mitigating risks, and optimising the Company's resources for sustainable growth.

As on date, the Non-executive Directors consists of six Independent Directors and one Non-Independent Director, none of whom belongs to or forms part of the promoter or promoter group of the Company.

In view of increased roles and responsibilities of the Independent Directors, Industry trends, and the need to attract experienced and industry expert professionals in the Board, the Board of Directors, based on the recommendation of the Nomination & Remuneration Committee in its meeting held on August 27, 2026, approved, subject to the approval of the members, a revised remuneration structure for the non-executive Directors w.e.f. April 01, 2026 for the period of 3 (Three) years as below:

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Modes of Compensation	Ceiling for each Non Executive Director (NED)	Aggregate Ceiling
Sitting Fee per meeting/ per member	Based upon the Board/Committee membership and attendance in these meetings	Within the limit prescribed in Rule 4 of Companies (appointment and remuneration of the managerial personnel) Rules, 2014.
Profit Related Commission	To any single Non-Executive Director shall not exceed ₹ 7.5 lakhs (Rupees Seven lakhs Fifty Thousand only) per annum	The aggregate commission payable to all Non-Executive Directors collectively in any financial year shall not exceed 0.20% of the net profits of the Company.

The proposed commission to Non - Executive Directors shall be payable over and above the sitting fees for attending meetings of the Board and its Committees, as well as the reimbursement of actual expenses incurred in the discharge of their duties as Directors, in accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company.

The Nomination and Remuneration Committee shall determine the Commission Distribution Criteria on an annual basis based on transparent, objective performance criteria, including individual contribution, committee chairmanship/ membership, meeting attendance, and overall Company performance.

Brief profiles of the Non-executive directors are provided under the Corporate Information section of this Annual Report. Further, details relating to the number of Meetings attended by them, sitting fees paid during Financial Year 2025-26, their directorship, memberships/ chairmanship in other companies, shareholding in the Company, etc. are provided in the Corporate Governance Report section of this Annual Report.

None of the Directors except the Non-executive Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Pursuant to the provisions of Sections 197 and 198 of the Companies Act, 2013, read with Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, payment of remuneration by way of commission to the Non-Executive Directors, including Independent Directors, requires the approval of the Members.

Your Board thus recommends the Resolution at Item No. 13 for your approval as a Special Resolution.

ITEM NO. 14 AND 15

Your Company believes that equity based compensation plans are an effective tool to reward the talents working with the Company. It provides an opportunity to employees to share the growth of the Company and to create long-term wealth in the hands of the employees. With a view to motivate the key workforce seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents and to retain them for ensuring sustained growth, your Company intends to implement a Performance Stock Option plan namely 'Aarti Drugs Limited Performance Stock Option Plan 2026' (PSOP 2026) to cover employees of the Company (present or future). Your Company also intends to extend the benefits of the plan to Employees of Subsidiary Companies, Group Companies and Associate Companies (present or future). Accordingly, the Nomination and Remuneration Committee ("Committee") and the Board of Directors of the Company at their respective meetings held on Thursday, August 27, 2026 approved the introduction of PSOP 2026, subject to the approval of members. In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB and Sweat Equity Regulations"), the Company seeks your approval for implementation of the Plan and grant of options thereunder to the eligible employees of the Company and its Subsidiary Companies, Group Companies and Associate Companies (present or future). as may be decided from time to time as per provisions of the Plan read with provisions of SEBI SBEB and Sweat Equity Regulations. The main features of the PSOP 2026 are as under:

a) Brief description of the Plan:

Keeping view the aforesaid objectives, the PSOP 2026 contemplates grant of options to the eligible employees including Directors (excluding promoter, promoter group and Independent Directors, a Director who either by himself/herself or through his/her relatives or through any body-corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company) of the Company and its Subsidiary Companies, Group Companies and Associate Companies, as may be determined in due compliance of extant law and provisions of PSOP 2026. After vesting of options, the eligible employees earn a right, but not an obligation, to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

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b) Total number of options to be offered and granted:

The total number of options to be granted under the PSOP 2026 shall not exceed 8,00,000 (Eight lakhs). Each option when exercised would be converted into one equity share of ₹ 10/- (Rupees Ten Only) each fully paid up. Further, SEBI SBEB and Sweat Equity Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under the PSOP 2026 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling shall be deemed to be increased to the extent of such additional options issued. Performance Stock Options lapsed or cancelled due to any reason including the reason for lapse of exercise period or due to resignation of the eligible employees or otherwise, would be available for being re-granted at a future date. The Board is authorised to re-grant such lapsed/cancelled options as per PSOP 2026.

c) Identification of classes of employees entitled to participate in the Plan:

All permanent employees and Directors (hereinafter referred to as "Employees") of the Company and its Subsidiary Companies, Group Companies and Associate Companies whether existing or future shall be eligible subject to determination or selection by the Committee. Following classes of employees/Directors are eligible being:

i. a permanent employee of the Company who has been working in India or outside India;

ii. a Director of the Company, whether a whole time director or not but, including a non- executive director who is not a promoter or member of the promoter group, but excluding an Independent Director.

iii. an employee as defined in sub-clauses (i) or (ii), of a Subsidiary Companies, Group Companies and Associate Companies but does not include

i. an employee who is a Promoter or belongs to the Promoter Group; and

ii. a director who, either by himself or through his relatives or through any body- corporate, directly or indirectly, holds more than 10% of the issued and subscribed shares of the Company.

d) Requirements of Vesting and period of Vesting:

All the options granted on any date shall vest not earlier than the minimum period of 1 (One) year and not later than a maximum period of 7 (Seven) years from the date of grant of options as may be determined by the Nomination and Remuneration Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time subject to these minimum and maximum vesting periods. The vesting dates in respect of the options granted under the PSOP 2026 shall be determined by the Nomination and Remuneration Committee and may vary from an employee to employee or any class thereof and/or in respect of the number or percentage of options to be vested. Options shall vest essentially based on continuation of employment/ service as per requirement of SEBI SBEB and Sweat Equity Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

Following table shall be applicable in case of various scenarios for vesting and exercising:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	Subject to the terms and conditions formulated by the Committee, all Vested Options as on date of submission of resignation may be Exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date
2	Termination (With cause like fraud, misconduct etc.)	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.

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Sr. No.	Separations	Vested Options	Unvested Options
3	Termination (without cause)	All Vested Options which were not allotted at the time of such termination may be Exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
4	Retirement or early Retirement approved by Company	All Vested Options as on date of retirement may be Exercised by the Option Grantee within the period as permitted by Committee at the time of such retirement or early retirement.	All Unvested Options shall vest immediately on the date of retirement (subject to minimum Vesting Period of 1 year from date of Grant) and may be exercised by the Option Grantee on or before his last working day with the Company.
5	Death	All Vested Options may be Exercised by the Option Grantee's nominee or legal heir's immediately after, but in no event later than 12 months from the date of death.	All Unvested Options as on the date of death shall vest immediately and may be Exercised by the Option Grantee's nominee or legal heir's within 12 months from the date of death.
6	Permanent Disability	All Vested Options may be Exercised by the Option Grantee or, if the Option Grantee is himself, unable to Exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such permanent disability shall vest immediately and can be Exercised by the Option Grantee or if the Option Grantee is himself unable to Exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	Abandonment*	All the Vested Options shall stand cancelled.	All the Unvested Options) shall stand cancelled.
8	Any other reason not specified above	The NRC committee shall decide whether the Vested Options as on that date can be Exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*The Board/ Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Law, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the PSOP 2026 in any manner which may be detrimental to the interests of the Employees.

e) Maximum period within which the options shall be vested:

The maximum vesting period may extend up to 7 (Seven) years from the date of respective grant of Options as may be determined by the Nomination and Remuneration Committee.

f) Exercise price or pricing formula:

The Exercise Price shall be as may be decided by the Nomination and Remuneration Committee as is allowed under the Companies Act/ SEBI SBEB and Sweat Equity Regulations, 2021 which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different sets of employees for Options granted on same/different dates.

g) Exercise period and process of exercise:

The exercise period shall not be more than 3 (three) years from the date of respective vesting of Options. The Options granted may be exercised by the grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time. The Vested Options shall be exercisable by

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the Employees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and in such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The Options shall lapse if not exercised within the specified exercise period. The Options may also lapse, under certain circumstances even before the expiry of the specified exercise period. Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognised banking channels or in such other manner and subject to such procedures as the Board/ Committee may decide.

h) Appraisal process for determining the eligibility of employees under the PSOP 2026:

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination & Remuneration Committee of the Board and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Committee from time to time.

i) Maximum number of Options to be offered and issued per Employee and in the aggregate:

The maximum number of options that may be granted to an employee under the PSOP 2026 in aggregate per employee shall be determined by the Nomination and Remuneration Committee of the Board with respect to an individual employee. Further, the maximum number of options to be granted per employee per grant and in aggregate shall not exceed 8,00,000 (Eight lakhs). The number of Options that may be granted to any specific employee under PSOP 2026 scheme shall not be equal to or exceeding the number of equity shares equivalent to 1% of the issued capital of the Company (excluding outstanding warrants and conversions) and in aggregate in any financial year at the time of grant of options, if the prior specific approval from Members of the Company through a special resolution to this effect is not obtained.

j) Maximum quantum of benefits to be provided per employee under the PSOP 2026:

The maximum quantum of benefit for the employees under the PSOP 2026 is the difference between the exercise price of the options and the market price of the equity shares of the Company as on the date of exercise of options.

k) Whether the Plan is to be implemented and administered directly by the Company or through a trust:

The PSOP 2026 shall be implemented and administered directly by the Company.

l) Certificate from Secretarial Auditors:

The Board of directors shall at each Annual General Meeting place before the Members a certificate from the secretarial auditors of the Company that the PSOP 2026 scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

m) Whether the Plan involves new issue of shares by the Company or secondary acquisition by the trust or both:

The PSOP 2026 contemplates the issue of fresh Equity Shares by the Company.

n) Amount of loan to be provided for implementation of the Plan by the Company to the trust, its tenure, utilisation, repayment terms, etc.:

Not Applicable.

o) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the PSOP 2026:

Not Applicable

p) Disclosure and accounting policies:

The Company shall conform to the accounting policies specified in Regulation 15 of the SEBI SBEB and Sweat Equity Regulations. The Company shall disclose details of grant, vest, exercise and lapse of the Performance Stock Options in the Board of Directors' Report or in an annexure thereof as prescribed under the Companies Act, 2013 read with rules made thereunder and SEBI SBEB and Sweat Equity Regulations, or any other applicable laws as may be applicable from to time. Further the Company shall follow the laws/ Regulations applicable to accounting and disclosure related to Performance Stock Options, including the Companies Act, 2013 (as amended from time to time) but not limited to SEBI SBEB and Sweat Equity Regulations (including disclosure as specified under Regulation 15), Section 133 of the Companies Act, 2013 as well as the IND AS 102 and Guidance Notes on accounting for Employee Share Based Payments and/ or any relevant Accounting Standards as may be prescribed by the regulatory authorities from time to

time, including the disclosure requirements prescribed therein, as and when applicable to the Company.

q) Method of valuation of Options:

The Company follows a fair value method for computing the compensation cost, if any, for the Options granted. The Company will follow IND AS/ any other prevailing requirements for accounting of the stock Options as are applicable to the Company for the same.

r) Rights of the Option holder:

The employee shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Option granted to him, till shares are allotted upon exercise of Option.

s) Consequence of failure to exercise option:

All unexercised Options shall lapse if not exercised on or before the exercised period ends.

t) Period of Lock-in:

The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise. However, the Board or Committee as may be authorised by the Board may, in some cases, provide for lock-in of Shares issued upon exercise of Options.

Provided that the transferability of the Shares shall be subject to the restriction for such period in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading.

u) Terms & conditions for buyback, if any, of specified securities covered under these Regulations:

The Board of Directors /NRC Committee shall, subject to the applicable provisions of any of the SEBI Regulations and Companies Act, 2013 and other applicable provisions, have right to specify the procedure for buyback of the Performance Stock Options issued under this Scheme, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:

I. permissible sources of financing for buy-back;

II. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and

III. Limits upon the quantum of the Performance Stock Options that the Company may buy-back in a financial year.

v) Listing:

The shares allotted pursuant to the exercise of the stock options under PSOP 2026, shall be listed on BSE Limited and National Stock Exchange of India Limited.

A draft copy of the PSOP 2026 is available for inspection in electronic form during office hours on all working days till the last date of receipt of votes through the e-voting process. Members seeking to inspect such documents can send an e-mail to investorrelations@aartidrugs.com mentioning their names, folio numbers/demat account numbers and contact numbers.

None of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution except to the extent of their current shareholding in the Company as well as shareholding entitlements, if any, under the PSOP 2026.

Your Board thus recommends the Resolution at Item No. 14 & 15 for your approval as the Special Resolutions.

ITEM NO. 16

In pursuance of 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, a proposal for appointment of Cost Auditor for Financial Year 2026-27 was recommended by the Audit Committee to the Board. The Board thereby, at its meeting held on May 15, 2026, re-appointed GMVP & Associates LLP, Cost Accountant (Firm Reg. No.:- 000910), as Cost Auditor for the conduct of the Audit of the cost records and related books maintained by the Company, at a remuneration of ₹ 4,00,000/- (Rupees Four lakhs only) per annum plus tax as applicable and reimbursement of out of pocket expenses at

actual to be paid for the Financial Year 2026-27. GMVP & Associates LLP has confirmed their eligibility for appointment as Cost Auditor.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the members. Hence this resolution is put for the consideration of the members.

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

Your Board thus recommends the Resolution at Item No. 16 for your approval as an Ordinary Resolution.

Registered Office:
Plot No. N-198, MIDC Tarapur,
Village - Pamtembhi,
Tal. and Dist. Palghar,
Maharashtra - 401 506

Date : August 27, 2026

By Order of the Board

Sd/-
Rushikesh Deole
Company Secretary
ICSI M.No. F12932

ANNEXURE-I

As required by Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) as laid down by ICSI, additional information relating to the particulars of Directors who are proposed to be appointed/re-appointed are given below:

Name of Director	Shri Adhish Prakash Patil	Shri Nilesh Bhalchandra Patil
Director Identification Number (DIN)	02629496	08616943
Date of Birth and Age	September 10, 1982 (43 years)	May 03, 1970 (56 years)
Date of first appointment on the Board	October 01, 2026	September 26, 2026
Qualifications	Bachelor of Engineering (IT), MBA in Finance and Marketing	B.Com and MBA in Human Resource Management
Terms & conditions of appointment or re-appointment	Appointment as Managing Director for a period of 5 (five) years with effect from October 01, 2026.	Appointment as Whole-time Director for a period of 5 (five) years with effect from the conclusion of this Annual General Meeting.
Brief profile including experience and expertise in specific functional area	Shri Adhish Prakash Patil is a proven leader with 21 years of experience in Manufacturing Operations, Finance, Investor Relations, Regulatory Compliance, Consulting, Systems Engineering and Information Technology for the Pharmaceutical and Consulting industries. He has a Bachelor of Engineering (IT) degree from Mumbai University. He is a gold medallist from the University of Florida's Warrington College of Business Administration with an MBA in Finance and Marketing. He has managed production efficiencies, projects, financial operations, ERP implementation, automations for regulatory compliances for a publicly traded pharmaceutical Company. He also has experience in company operations and project management.	Shri Nilesh Bhalchandra Patil holds a Bachelor of Commerce (B.Com.) degree and a Master of Business Administration (MBA) in Human Resource Management. He has been associated with the Company for over 33 years and is presently serving as General Manager – Administration. In his present role, he is responsible for overseeing the Company's warehouse operations, coordinating and liaising with various statutory and regulatory authorities and managing general factory operations & administration.
Remuneration last drawn (including sitting fees, if any)	₹ 125.62 Lakh were paid during the Financial year 2025-26 as remuneration towards employment.	₹ 31.80 Lakh were paid during the Financial year 2025-26 as remuneration towards employment.
Remuneration proposed to be paid	As set out in the Explanatory Statement to the AGM Notice.	As set out in the Explanatory Statement to the AGM Notice.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Shri Adhish Prakash Patil is the son of present Chairman and Managing Director, CEO of the Company, Shri Prakash Moreshwar Patil.	None
No. of Board Meetings attended	N.A.	N.A.
Directorship held in other Companies	- Pinnacle Life Science Private Limited - Salco Extrusions Private Limited - Aarti Speciality Chemicals Limited - Aarti Packwell Private Limited	- Tarapur Environment Protection Society
Membership/ Chairmanships of committees	Aarti Drugs Limited - Risk Management Committee - Member	Nil
Name of Listed Companies from which the Director has resigned in past three years	Nil	Nil
Number of Shares held in Aarti Drugs Limited	1141079	Nil

ANNEXURE-I (CONTD.)

Name of Director	Shri Harshit Manilal Savla	Shri Harit Pragji Shah
Director Identification Number (DIN)	00005340	00005501
Date of Birth and Age	November 19, 1962 (63 years)	October 12, 1963 (62 years)
Date of first appointment on the Board	January 02, 1987	September 15, 1995
Qualifications	B.Com	B.Com
Terms & conditions of appointment or re-appointment	Re-appointment as Joint Managing Director for 5 (five) years from June 01, 2027, on terms and remuneration set out in the Explanatory Statement.	Re-appointment as Whole-time Director for 5 (five) years from June 01, 2027, on terms and remuneration set out in the Explanatory Statement.
Brief profile including experience and expertise in specific functional area	Shri Harshit Manilal Savla is the Joint Managing Director of the Company. He is associated with the Company since 1987. He is a Commerce Graduate having more than 39 years of experience in Finance, Exports, HR and Administration. He played a crucial role in expanding the API and Formulation business of the Company.	Shri Harit Pragji Shah has been Executive Director of the Company since September 1995. He is a Commerce Graduate and has experience of more than 39 years in the handling commercial functions encompassing Sales, Purchases and Exports. He looks after local sales and exports as well. He has in-depth knowledge of the pharmaceutical industry.
Remuneration last drawn (including sitting fees, if any) (FY 2025-26)	₹ 263.59 lakhs p.a.	₹ 263.59 lakhs p.a.
Remuneration proposed to be paid	As set out in the Explanatory Statement to the AGM Notice.	As set out in the Explanatory Statement to the AGM Notice.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None
No. of Board Meetings attended	During the Financial year 2025-26, he attended all the 6 (six) meetings of the Board.	During the Financial year 2025-26, he attended 5 (five) out of six meetings of the Board.
Directorship held in other Companies	- Pinnacle Life Science Private Limited - Aarti Ventures Private Limited - Crystal Millennium Realtors Private Limited - Aarti Vikas & Seva Mission - Panbai Welfare Foundation - Radiant Gruh Private Limited - Aarti Speciality Chemicals Limited	- Aarti Speciality Chemicals Limited - Pinnacle Life Science Private Limited - Aarti Ventures Private Limited - Unidus Developers & Logistics Private Limited - Aarti Vikas & Seva Mission - Panbai Welfare Foundation - Radiant Gruh Private Limited
Membership/ Chairmanships of committees	**Aarti Drugs Limited** Stakeholders Relationship Committee - Member Risk Management Committee - Member **Pinnacle Life Science Private Limited** Corporate Social Responsibility - Member	**Aarti Drugs Limited** Stakeholders Relationship Committee - Member Risk Management Committee - Member **Pinnacle Life Science Private Limited** Corporate Social Responsibility - Member
Name of Listed Companies from which the Director has resigned in past three years	Nil	Nil
Number of Shares held in Aarti Drugs Limited	4318269	2437108

ANNEXURE-I (CONTD.)

Name of Director	Shri Hasmukh Bhavanji Dedhia	Shri Sandeep Madhusudan Joshi	Shri Ajit Eledath Venugopalan
Director Identification Number (DIN)	07510925	00516409	09439069
Date of Birth and Age	June 21, 1955 (71 years)	January 01, 1961 (65 years)	August 29, 1963 (62 years)
Date of first appointment on the Board	March 29, 2024	March 29, 2024	March 29, 2024
Qualifications	B. Com, Chartered Accountant	Graduate in Chemistry and M.B.A	B. Com, Chartered Accountant
Terms & conditions of appointment or re-appointment	Re-appointment as an Independent Director for a second term of 5 (five) years with effect from March 29, 2027.	Re-appointment as an Independent Director for a second term of 5 (five) years with effect from March 29, 2027.	Re-appointment as an Independent Director for a second term of 5 (five) years with effect from March 29, 2027.
Brief profile including experience and expertise in specific functional area	Shri Hasmukh Bhavanji Dedhia is a Chartered Accountant and also holds DISA(ICAI). He has an experience of over 42 years in handling Audits, Due Diligence, Consultancy and Business Restructuring. He possesses rich experience in the fields of Internal Auditing and Control Enhancement Aspects.	Shri Sandeep Madhusudan Joshi is a graduate in Chemistry from Mumbai University and completed his M.B.A from Symbiosis Institute of Business Management, Pune. He has 32+ years of experience in export marketing and business development with companies in India and abroad.	Shri Ajit Eledath Venugopalan is a banking professional with 32+ years of experience in the Banking and Finance domain. He served as Managing Director at SVC Co-op Bank Limited. He is also an advisor to the Central Rating Committee of Brickwork Ratings.
Remuneration last drawn (including sitting fees, if any)	₹ 2.80 Lakh were paid during the Financial year 2025-26 as sitting fees for attending the meetings of the Board and/or Committees thereof.	₹ 1.60 Lakh were paid during the Financial year 2025-26 as sitting fees for attending the meetings of the Board and/or Committees thereof.	₹ 2.55 Lakh were paid during the Financial year 2025-26 as sitting fees for attending the meetings of the Board and/or Committees thereof.
Remuneration proposed to be paid	He shall be paid remuneration by way of sitting fee and reimbursement of expenses for attending meetings of the Board/ Committees or for any other purpose as may be decided by the Board of the Company. He shall also be entitled to receive Profit Related Commission, as provided under Resolution No. 13 of this Notice, subject to the terms and conditions specified therein.	He shall be paid remuneration by way of sitting fee and reimbursement of expenses for attending meetings of the Board/ Committees or for any other purpose as may be decided by the Board of the Company. He shall also be entitled to receive Profit Related Commission, as provided under Resolution No. 13 of this Notice, subject to the terms and conditions specified therein.	He shall be paid remuneration by way of sitting fee and reimbursement of expenses for attending meetings of the Board/ Committees or for any other purpose as may be decided by the Board of the Company. He shall also be entitled to receive Profit Related Commission, as provided under Resolution No. 13 of this Notice, subject to the terms and conditions specified therein.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None

No. of Board Meetings attended	During the Financial year 2025-26, he attended all the 6 (six) meetings of the Board.	During the Financial year 2025-26, he attended all the 6 (six) meetings of the Board.	During the Financial year 2025-26, he attended 5 (five) out of six meetings of the Board.
Directorship held in other Companies	- Mitsu Chem Plast Limited	- Holden Medical Private Limited - Holden Medical Laboratories Private Limited	- Intaiga Technical Solution Private Limited - Mitsu Chem Plast Limited
Membership/ Chairmanships of committees	**Aarti Drugs Limited** Audit committee – Chairman **Mitsu Chem Plast Limited** Audit committee - Chairman Nomination and remuneration committee - Member, Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member	Nil	**Aarti Drugs Limited** Audit committee – Member **Mitsu Chem Plast Limited** Audit committee - Member, Nomination and remuneration committee - Member, Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member
Name of Listed Companies from which the Director has resigned in past three years	Nil	Nil	Nil
Number of Shares held in Aarti Drugs Limited	Nil	Nil	2977
the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The Nomination and Remuneration Committee and the Board identified knowledge and experience in the areas of Accounting, Finance, Auditing, Taxation, Business Restructuring, Securities Laws, and Corporate Governance as the key skills and competencies required for the said role. In view of his educational qualifications and extensive professional experience in these fields, Shri Hasmukh B. Dedhia possesses the requisite knowledge and expertise for the position.	The Nomination and Remuneration Committee and the Board identified expertise in the pharmaceutical and chemical industry, commercial value chain, and business development as the key skills and competencies required for the said role. Considering his educational qualifications and extensive professional experience in these areas, Shri Sandeep M. Joshi possesses the requisite knowledge and expertise and meets the requirements for the position.	The Nomination and Remuneration Committee and the Board identified expertise in Banking and Finance, and Corporate Governance as the key skills and competencies required for the said role. Considering his educational qualifications and extensive professional experience in these areas, Shri Ajit E. Venugopalan possesses the requisite knowledge and expertise and meets the requirements for the position

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Aarti Drugs Limited

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