CA INDIA

RAMBABU & CO.,
CHARTERED ACCOUNTANTS

Independent Auditor's Report
To the members of Mahi Drugs Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying IND AS financial statements of **Mahi Drugs Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies Indian Accounting Standards ("Ind AS") Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit, total Comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the 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 financial statements.

RAMBABU & CO. CHARTERED ACCOUNTANTS HYDERABAD

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Key Audit Matters

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

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	Recognition, measurement, presentation and disclosures of revenues of from Contracts with Customers" as per Ind AS 115	Principal Audit Procedures We assessed the Company's process to recognize the revenue as per accounting standard, Ind AS 115 Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Selected a sample of continuing and new contracts and performed the following procedures: 1. Read, analysed and identified the distinct performance obligations in these contracts. 2.Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the 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 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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The management is responsible for ensuring that the accounting software used has the feature of Audit Trail that captures the changes to each and every transaction of Books of accounts. Also ensure that the Audit Trail Feature is always enabled at the database level and protected from any modification through implementing controls. Ensure that Audit Trail is retained as per statutory requirements for record retention through periodic backups.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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• 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 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.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, 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 loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with Companies Indian accounting standard rules 2015 as amended.

e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 over financial reporting.

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, no remuneration was paid to its directors during the year.

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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 41 on contingent liabilities to the Ind AS financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There are no amounts which are 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 the note 47(vi) to the 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 the note 47(vii) to the 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;

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(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.

(d) Based on our examination which includes test checks, the Company, in respect of financial year commencing on 1st April 2025, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of the accountingsoftware where such feature is enabled and the audit trail has been preserved by the company as per the statutory requirements for record retention.

v. The Company has not declared or paid dividend during the year. Hence, the provisions relating to the compliance with section 123 of the Act are not applicable.

Place: Hyderabad
Date: 29.05.2026

For Rambabu& Co.,
Chartered Accountants
Reg. No.002976S

RAMBABU & CO. CHARTERED ACCOUNTANTS HYDERABAD

GVL Prasad
Partner
M.No.026548

UDIN: 26026548PGRIWS9602

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 Mahi Drugs Private 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.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment so as to cover all the assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 as amended and rules made thereunder.

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ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and no discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

In our opinion and based on the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. During the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, other sub clauses under this clause are not applicable.

iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, during the year, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Act ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and rules made there under for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company for the year under consideration.

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vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b) There were no statutory dues which have not been deposited as on March 31, 2026 on account of disputes.

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) In our opinion, the Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) In our opinion and according to the information and explanations given to us by the management, the Company has availed any term loan during the year and said loan was utilized for the purpose for which it was obtained.

(d) According to the information and explanations given to us and on overall information of financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes of the company.

(e) According to the information and explanations given to us by the management and examination of the records of the Company, the Company is not having any investments. Accordingly, provisions of the clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us by the management and examination of the records of the Company, the Company is not having any investments. Accordingly, provisions of the clause 3(ix)(f) of the Order is not applicable to the Company.

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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) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) 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 are no whistle blower complaints received by the company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on examination the company does not have an internal audit system and it is not required to have an internal audit system as per provisions of the Companies Act, 2013.

(b) The Company did not have an internal audit system for the period under audit.

xv. In our opinion 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.

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(d) 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 any cash loss during the current financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, requirement to report under clause 3(xviii) of the order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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, the provisions of CSR are not applicable to the Company. Accordingly, reporting under clauses 3(xx)(a) and (b) of the Order are not applicable.

Place: Hyderabad
Date: 29.05.2026

For Rambabu& Co.,
Chartered Accountants
Reg. No.002976S

RAMBABU & CO. CHARTERED ACCOUNTANTS HYDERABAD

GVL. Prasad
Partner
M.No.026548

UDIN: 26026548PGRIWS9602

Annexure "B" 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 Mahi Drugs Private Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of Mahi Drugs Private Limited (the "Company") as of March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to 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 over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Place: Hyderabad
Date: 29.05.2026

For Rambabu& Co.,
Chartered Accountants
Reg. No.002976S

RAMBABU & CO. CHARTERED ACCOUNTANTS HYDERABAD

GVT. Prasad
Partner
M.No.026548

UDIN: 26026548PGRIWS9602

Mahi Drugs Private Limited

Balance Sheet as at 31st March, 2026

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

S No	Particulars	Note	As at 31.03.2026	As at 31.03.2025
I	**ASSETS**			
1	**Non-Current Assets**			
	(a) Property, Plant and Equipment	4	7,792.98	8,161.08
	(b) Capital Work-in-Progress	4	912.15	-
	(c) Intangeble Assets	5	0.58	0.72
	(d) Financial Assets			
	Other Financial Assets	6	59.12	47.33
	(e) Deferred Tax Asset (Net)	7	284.49	285.64
	(f) Other Non-Current Assets	8	521.73	-
	Total		9,571.05	8,494.77
2	**Current Assets**			
	(a) Inventories	9	1,185.72	746.27
	(b) Financial Assets			
	(i) Trade Receivables	10	707.50	426.08
	(ii) Cash and Cash Equivalents	11	80.95	10.16
	(c) Other Current Assets	12	282.56	156.62
	(d) Current Tax Assets (Net)	13	26.96	5.96
	Total		2,283.69	1,345.09
	Total Assets		11,854.74	9,839.86
II	**EQUITY AND LIABILITIES**			
1	**Equity:**			
	(a) Equity Share Capital	14	707.26	707.26
	(b) Other Equity	15	3,294.81	3,164.26
	Total		4,002.07	3,871.52
2	**LIABILITIES**			
A	**Non-Current Liabilities**			
	(a) Financial liabilities			
	Borrowings	16	1,477.60	95.73
	(b) Provisions	17	90.08	93.58
	Total		1,567.68	189.31
B	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	18	96.85	388.48
	(ii) Trade Payables			
	(a) Dues to Micro & Small Enterprises	19	22.74	41.04
	(b) Dues to Creditors other than Micro & Small Enterprises	19	738.55	687.44
	(iii) Other Financial Liabilities	20	464.01	200.17
	(b) Provisions	17	4.18	2.65
	(c) Other Current Liabilities	21	4,958.66	4,459.25
	Total		6,284.99	5,779.03
	Total Liabilities		7,852.67	5,968.34
	Total Equity and Liabilities		11,854.74	9,839.86
	Material Accounting Policies	3		

The accompanying notes are an integral part of the financial statements

as per our report of even date
for RAMBABU & CO
Chartered Accountants
FRN 002976S

GVL Prasad
Partner
M No. 026548

RAMBABU & CO. CHARTERED ACCOUNTANTS HYDERABAD

for and on behalf of the Board of Directors of
Mahi Drugs Private Limited

TVVSN MURTHY
Director
DIN: 00465198

T V PRAVEEN
Managing Director
DIN:08772030

Place : Hyderabad
Date : 29th May,2026

Mahi Drugs Private Limited.

Statement of Profit and Loss for the year ended 31st March, 2026

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

S No	Particulars	Note	Year Ended 31.03.2026	Year Ended 31.03.2025
1	**Income**			
	Revenue from Operations	22	5,902.01	4,227.48
	Other Income	23	117.88	96.85
	Total Income		6,019.89	4,324.33
2	**Expenses**			
	Cost of Materials Consumed	24	2,733.45	1,626.93
	Changes in Inventories	25	(287.18)	26.92
	Manufacturing Expenditure	26	1,071.03	1,000.47
	Employee Benefits Expense	27	1,598.98	1,376.10
	Finance Cost	28	41.10	83.18
	Depreciation and Amortization Expense	29	480.49	474.12
	Other Expenses	30	261.77	202.05
	Total Expenses		5,899.64	4,789.77
3	**Profit Before Tax (1-2)**		120.25	(465.44)
4	**Tax Expense**			
	(a) Current Tax	31		
	(i) relating to Current Period		20.00	-
	(ii) MAT Credit Entitlement		(20.00)	-
	(b) Deferred Tax		(1.83)	(121.29)
	Total Taxes		(1.83)	(121.29)
5	**Profit After Tax for the Year (3-4)**		122.08	(344.15)
	Other Comprehensive Income/(Loss)			
	Items that will not be reclassified to Profit/(Loss)	32		
6	Remeasurement Gain/(Loss) of the defined benefit plans		11.45	13.62
7	Income Tax effect on the above		2.98	3.54
8	**Other Comprehensive Income/(Loss) After Tax for the Year(6-7)**		8.47	10.08
9	**Total Comprehensive Income/(Loss) for the Year (5+8)**		130.55	(334.07)
	Earnings Per Share (Face Value of Rs.10/- each) Basic / Diluted	33	1.73	(4.87)
	Material Accounting Policies	3		

The accompanying notes are an integral part of the financial statements

as per our report of even date
for RAMBABU & CO
Chartered Accountants
FRN 002976S

GVL Prasad
Partner
M No. 026548

RAMBABU & CO. CHARTERED ACCOUNTANTS HYDERABAD

for and on behalf of the Board of Directors of
Mahi Drugs Private Limited

TVVSN MURTHY
Director
DIN No: 00465198

T V PRAVEEN
Managing Directc
DIN:08772030

Place : Hyderabad
Date : 29th May,2026

Mahi Drugs Private Limited.
Statement of Changes in Equity for the Year Ended 31st March, 2026
(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

a. Equity Share Capital

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of Shares	Amount	Number of Shares	Amount
At the Beginning of the Year	70,72,650	707.26	70,72,650	707.26
Changes in Equity Share Capital	-	-	-	-
At the End of the Year	**70,72,650**	**707.26**	**70,72,650**	**707.26**

b. Other Equity

	Security Premium	Retained Earnings	Total
Balance as at 01st April, 2024	**3,512.75**	**(14.42)**	**3,498.33**
Profit / (Loss) for the Year	-	(344.15)	(344.15)
Other Comprehensive Income / (Loss) for the Year, net of Income Tax	-	10.08	10.08
Total Comprehensive Income for the Year	**-**	**(334.07)**	**(334.07)**
Balance as at 31st March, 2025	**3,512.75**	**(348.49)**	**3,164.26**
Balance as at 01st April, 2025	3,512.75	(348.49)	3,164.26
Profit / (Loss) for the Year		122.08	122.08
Other Comprehensive Income / (Loss) for the Year, net of Income Tax		8.47	8.47
Total Comprehensive Income / (Loss)for the Year	**-**	**130.55**	**130.55**
Balance as at 31st March, 2026	**3,512.75**	**(217.94)**	**3,294.81**

The accompanying notes are an integral part of the financial statements

as per our report of even date
for RAMBABU & CO
Chartered Accountants
FRN 002976S

RAMBABU & CO. CHARTERED ACCOUNTANTS HYDERABAD

GVL Prasad
Partner
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for and on behalf of the Board of Directors of
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TVVSN MURTHY
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T V PRAVEEN
Managing Director
DIN:08772030

Place : Hyderabad
Date : 29th May,2026

Mahi Drugs Private Limited.
Statement of Cash Flow for the Year Ended 31st March, 2026
(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

	Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
A	**Cash Flow from Operating Activities**		
	Profit Before Tax	120.25	(465.44)
	Adjustments for:		
	Depreciation and amortisation expense	480.49	474.12
	Interest on Non Current Borrowings	35.90	77.23
	Provision for Employee Benefits	9.49	35.03
	Amortisation of Transaction Cost on Borrowings	1.11	1.11
		647.24	**122.05**
	Change in Operating Assets and Liabilities		
	(Increase)/Decrease in Trade Receivables	(281.42)	(225.72)
	(Increase)/Decrease in Inventories	(439.45)	61.08
	(Increase)/Decrease in Trade Payables	133.99	(207.52)
	(Increase)/Decrease in Other Non Current Financial Assets	(11.79)	(4.34)
	(Increase)/Decrease in Other Non Current Assets	(521.73)	1.79
	(Increase)/Decrease in Other Current Assets	(125.94)	233.14
	(Increase)/Decrease in Prepaid Taxes	(20.99)	5.21
	Increase/(Decrease) in Other Current Liabilities	499.40	616.56
		(767.93)	**480.20**
	Cash generated from Operations	(120.69)	602.25
	Income Tax Paid	-	-
	Net Cash Inflow from Operating Activities "A"	**(120.69)**	**602.25**
B	**Cash flows from Investing Activities**		
	Payments for Purchase of Property, Plant and Equipment	(861.74)	(126.21)
	Proceeds from sale of Property, Plant and Equipment	-	3.03
	Net Cash Outflow from Investing Activities "B"	**(861.74)**	**(123.18)**
C	**Cash flows from Financing Activities**		
	Proceeds from Long Term Borrowings	1,477.60	-
	Repayment of Long Term Borrowings	(388.47)	(415.15)
	Interest Paid on Borrowings	(35.90)	(77.23)
	Net Cash (Outflow) from Financing Activities "C"	**1,053.22**	**(492.37)**
	Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	**70.79**	**(13.30)**
	Cash and Cash Equivalents at the beginning of the Financial Year	10.16	23.46
	Cash and Cash Equivalents at End of the Year (Refer Note 11)	**80.95**	**10.16**

The accompanying notes are an integral part of the financial statements

The Cash Flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

as per our report of even date
for RAMBABU & CO
Chartered Accountants
FRN 002976S

GVL Prasad
Partner
M No. 026548

RAMBABU & CO. CHARTERED ACCOUNTANTS HYDERABAD

for and on behalf of the Board of Directors of
Mahi Drugs Private Limited

TVVSN MURTHY
Director
DIN No: 00465198

T V PRAVEEN
Managing Director
DIN:08772030

Place : Hyderabad
Date : 29th May,2026

1. Corporate Information:

Mahi Drugs Private Limited (MDPL), (the 'Company') is a Company limited by Shares domiciled in India incorporated under the Companies Act, 1956. The registered office of the Company is at Plot No. 82, Jawaharlal Nehru Pharma City, Parawada Visakhapatnam Andhra Pradesh. The Company is having manufacturing facility at JNPC Prawada, Visakhapatnam. The Company is engaged in the business of manufacturing of Active Pharma Ingredients and there Intermediates.

The Financial Statements for the year ended 31st March, 2026 were approved by the Board of Directors for issue on 29th May, 2026.

2. Basis of preparation of Financial Statements

2.1 Statement of Compliance:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements comprise the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows for the year ended 31st March, 2026, and a summary of the significant accounting policies, notes and other explanatory information (together hereinafter referred to as "Financial Statements")

These standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in these financial statements.

2.2 Basis of Measurement:

The financial statements have been prepared on a historical cost and on accrual basis, except for the following items in the balance sheet:

- Certain financial assets are measured either at fair value or at amortised cost depending on the classification.
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation.
- Right-of use the assets are recognized at the present value of lease payments that are not paid at that date.
- Assets held for sale are measured at fair value less cost to sell.

2.3 Current and Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

(a) An asset is treated as current when it satisfies the below mentioned criteria:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or Cash Equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(b) All Other Assets are classified as non-current.

(c) A liability is classified as current when it satisfies the below mentioned criteria:
- Expected to settle the liability in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(d) All Other liabilities are classified as non-current.

(e) Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

(f) The Operating Cycle is the time between the acquisition of assets for processing and their realization in Cash and Cash Equivalents. The Company has identified Twelve months as its Operating Cycle.

3. Summary of Significant Accounting Policies:

The financial statements have been prepared using the accounting policies and measurement basis summarized below:

3.1 Revenue Recognition

Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognise revenues, we apply the following five step approach:

(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract, and
(5) recognise revenues when a performance obligation is satisfied.

The specific recognition criteria described below must also be met before revenue is recognized.

The Company's revenue is derived from sale of goods, sale of services. Most of such revenue is generated from the sale of goods. The Company has generally concluded that it is the principal in its revenue arrangements.

(i) Revenue from Sale of Goods:
Revenue from sale of goods is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring the control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of the goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognized is based on the consideration expected to be received in exchange of goods, excluding applicable discounts sales returns and any taxes or duties collected on behalf of the government such as GST where ever applicable.

Any additional amounts based on terms of agreement entered into with customers is recognized in the period when the collectability becomes probable and reliable and measure of the same is available.

(ii) Revenue from Sale of Services:
Revenue from Sale of services is recognised as per the terms of the contracts with customers when the related services are performed or the agreed milestones are achieved.

(iii) Export incentives:
Export incentives are recognized 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

(iv) Dividend Income:
Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

(v) Interest Income:
Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income, on financial assets at amortised cost and financial assets at FVOCI, is calculated using the effective interest method and the same is recognized in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3.2 Foreign Currency Transactions:

i. Functional and Reporting Currency:

The standalone financial statements are presented in Indian Rupee ('INR' or '`') which is also the functional and presentation currency of the Company.

ii. Initial Recognition:

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

iii. Conversion on Reporting Date:

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

iv. Exchange Differences:

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

3.3 Property, Plant and Equipment:

(a) Recognition and Initial Measurement

Property, Plant and Equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Cost includes non-refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress. Advances paid towards acquisition of assets are shown as Capital Advances.

Borrowing Cost relating to acquisition of Property, Plant and Equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

Subsequent Costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

(b) Subsequent Measurement (Depreciation and Useful Lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

Depreciation on addition to/deletion from fixed assets made during the year is provided on pro-rata basis from/up to the date of such addition/deletion as the case may be. In case of assets costing less than Rs.5,000/- purchased during the year also depreciation has been provided at normal rates on pro-rata basis from the date of purchase.

Cost of the leasehold land is amortized on a straight-line basis over the term of the lease. Depreciation on landscape is being provided @10% under straight line method.

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

(c) De-recognition

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 and loss when the asset is derecognized.

(d) Capital advances

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under other non-current assets as capital advances.

e) Capital work-in-progress

Capital work-in-progress includes cost of property, plant and equipment under installation/development as at the balance sheet date.

3.4 Intangible Assets:

(a) Recognition and Initial Measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

(b) Subsequent measurement (amortization):

The cost incurred on Intangible Assets is amortized over a period of 6 years in case of Computer Software and 4 years for Patents on Straight Line Method.

3.5 Inventories:

Raw materials, packaging materials, are carried at cost. Stores and spares are being charged to revenue as and when purchased. Cost includes purchase price excluding taxes those are subsequently recoverable by the company from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost of Raw Materials, packaging materials is determined using the weighted average cost method.

Finished goods and work in progress are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on weighted average basis and comprises cost of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on weighted average basis.

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

Spare Parts, Stand-by Equipment and Servicing Equipment are recognized in accordance with Ind AS-16 when they meet the definition of property, plant and Equipment. Otherwise, such items are classified as inventory and are valued at Cost.

The carrying cost of raw materials, packing materials are appropriately written down when there is a decline in replacement cost of such materials and finished products in which they will be incorporated are expected to be sold below cost.

3.6 Leases:

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

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets

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

3.7 Cash and Cash Equivalents:

Cash and Cash equivalents include cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Company cash management

3.8 Trade Receivables:

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

3.9 Financial Instruments

(a) Financial Assets

(i) Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

(ii) Subsequent measurement

a. Debt instruments –

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

(iii) De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(b) Financial liabilities:

(i) Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified at amortized cost.

(ii) Subsequent Measurement

These liabilities include borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

(iii) De-recognition of Financial Liabilities

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

(c) Financial Guarantee Contracts

Financial Guarantee Contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

(d) Offsetting of Financial Instruments

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

(e) Impairment of Financial Assets

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

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 Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including Prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(f) Other Financial Assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

3.10 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.11 Income Taxes

Current Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the respective laws of the state. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods, if any.

Deferred Income Tax

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where a component has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if it is probable that they can be utilised against future taxable profits.

The Carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Minimum alternate tax (MAT)
Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

3.12 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and managing director has been identified as being the Chief Operating Decision Maker (CODM). The Company is engaged in manufacturing and sale of Active Pharma Ingredients and their Intermediates and operates in a single operating segment. Revenues are attributed to geographical areas based on the location of the customers.

3.13 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants relating to loans or similar assistance with an interest rate below the current applicable market rate are initially recognized and measured at fair value. The effect of this favorable interest is regarded as a government grant and is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.14 Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

3.15 Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.16 Provisions:

Provisions are recognized when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

3.17 Trade Payables:

These amounts represent liabilities for goods supplied to the Company prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

3.18 Dividends:

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company is required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

3.19 Equity:

Ordinary Shares are classified as Equity share Capital. Incremental costs directly attributable to the issue of new ordinary shares or share options and buy back are recognized as a deduction from equity, net of tax effects, if any.

3.20 Post Employee Benefits:

(a) Defined Contribution Plans:

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

(b) Defined Benefit Plans:

The Company has gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognized in the balance sheet for defined benefit plans as the present value of the Defined Benefit Obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries as per the requirements of IND AS 19 "Employee Benefits".

Actuarial gains and losses resulting from re-measurement of the liability are included in other comprehensive income.

The Company has subscribed to a group gratuity scheme of Life Insurance Corporation of India (LIC). Under the said policy, the eligible employees are entitled for gratuity upon their resignation, retirement or in the event of death in lump sum after deduction of necessary taxes upto a maximum limit as per the Gratuity Act, 1972. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Gratuity Fund.

(c) Compensated Absence Policy:

The employees of Company are entitled to compensated absences the employees can carry forward a portion of the un utilised accumulated compensated absences and utilize in future periods or encash the leaves at the time of retirement or termination of employment. The Company records an obligation in the period in which the employee render the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation using the projected unit credit method as on the reporting date as per the requirements of IND AS "Employee Benefits". Non accumulating compensated absences are recognised in the period in which the absences occur. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

(d) Short-Term Employee Benefits

Short -term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

3.21 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.22 Contingent Liabilities and Commitments:

Where it is not probable that an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of balance sheet and is disclosed as a contingent liability.

Possible outcomes on obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities.

Contingent Assets are neither recognized nor disclosed. However, when realization of Income is virtually certain, related asset is recognized.

3.23 Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to the significance of their nature or amount.

3.24 Fair Value Measurements:

The Company measures Financial Instruments at fair value at each Balance Sheet Date.

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 in the principal market for such asset or liability, or in the absence of a principal market, in the most advantageous market which is accessible to 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

3.25 Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

(i) Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

(ii) Evaluation of Indicators for Impairment of Assets:

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(iii) Recoverability of Advances/Receivables:

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

(iv) Useful lives of Depreciable/Amortisable Assets:

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

(v) Defined Benefit Obligation (DBO):

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(vi) Fair Value Measurements:
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(vii) Provisions:
At each balance sheet date the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgment.

3.26 Recent Accounting Pronouncements:
Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

During the year under review the following amendments mentioned below took place which are effective from annual reporting periods beginning on or after 1st April, 2025:

- Ind AS 21 – The effects of changes in Foreign Exchange Rates.
- Ind AS 1, Presentation of Financial Statements
  Classification of Liabilities as Current or Noncurrent and Non-current Liabilities with Covenants.
- Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments disclosures
  Disclosure about Supplier Finance Arrangements.
- Ind AS 12 - International Tax Reform
  Pillar Two Model Rules applicablility

The Company has reviewed the new pronouncements and its evaluation has determined that it does not have any significant impact on its financial Statements.

3.27 Rounding of Amounts:
All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

Mahi Drugs Private Limited

Notes to the Financial Statements

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

4 Property, Plant and Equipment

	Particulars	Land	Buidings	Plant & Machinery	Data Processing Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total	Capital Work-in-Progress
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
I	**Year ended 31st March 2025**									
A	**Gross Carrying Amount**									
1	Opening Gross Carrying Amount	234.39	2,911.20	6,584.89	37.81	76.79	3.19	0.59	9,848.86	-
2	Additions	-	2.08	115.32	0.67	5.68	0.38	3.74	127.87	-
3	Disposals / Transfers	-	-	(6.62)	-	-	-	-	(6.62)	-
4	**Closing Gross Carrying Amount as at 31st March, 2025 (1+2+3)**	**234.39**	**2,913.28**	**6,693.59**	**38.48**	**82.47**	**3.57**	**4.33**	**9,970.11**	-
B	**Accumulated Depreciation**	-	266.50	1,016.15	29.03	23.95	2.61	0.40	1,338.64	-
5	Depreciation Charge during the Year	-	94.49	367.47	4.34	7.26	0.33	0.09	473.98	-
6	Disposals / Transfers	-	-	(3.59)	-	-	-		(3.59)	-
7	**Closing Accumulated Depreciation as at 31st March, 2025 (5+6)**	-	**360.99**	**1,380.03**	**33.37**	**31.21**	**2.94**	**0.49**	**1,809.03**	-
C	**Net Carrying Amount as at 31st March, 2025 (4-7)**	**234.39**	**2,552.29**	**5,313.56**	**5.11**	**51.26**	**0.63**	**3.84**	**8,161.08**	-
II	**Year ended 31st March, 2026**									
A	**Gross Carrying Amount**									
1	Opening Gross Carrying Amount	234.39	2,913.28	6,693.59	38.48	82.47	3.57	4.33	9,970.11	-
2	Additions		-	74.19	36.78	1.27	-	-	112.24	1,024.39
3	Disposals / Transfers			-	-	-	-	-	-	(112.24)
4	**Closing Gross Carrying Amount as at 31st March, 2026 (1+2+3)**	**234.39**	**2,913.28**	**6,767.78**	**75.26**	**83.74**	**3.57**	**4.33**	**10,082.35**	**912.15**
B	**Accumulated Depreciation and Impairment**									
5	Opening Accumulated Depreciation	-	360.99	1,380.03	33.37	31.21	2.94	0.49	1,809.03	-
6	Depreciation Charge during the Year	-	94.56	375.21	2.25	7.69	0.12	0.51	480.34	-
7	Disposals / Transfers	-	-	-	-	-	-		-	-
8	**Closing Accumulated Depreciation and Impairment as at 31st March, 2026 (5+6+7)**	-	**455.55**	**1,755.24**	**35.62**	**38.90**	**3.06**	**1.00**	**2,289.37**	-
C	**Net Carrying Amount as at 31st March, 2026 (4-8)**	**234.39**	**2,457.73**	**5,012.54**	**39.64**	**44.84**	**0.51**	**3.33**	**7,792.98**	**(912.15)**

4.1 Title deeds of all Immovable properties were held in the name of the company.

4.2 Refer Note 36 for information on property, Plant and Equipment pledged as security by the Company

4.3 Refer Note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

4.3 Capital work-in-progress (CWIP) ageing schedule:

For the year ended 31st March, 2026

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
Projects in Progress	912.15	-	-	912.15
Projects temparaily suspended	-	-	-	-

For the year ended 31st March, 2025

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
Projects in Progress	-	-	-	-
Projects temparaily suspended	-	-	-	-

5 Intangible Assets

	Particulars	Computer Software
	(1)	(2)
	Year ended 31st March, 2025	
	Gross Carrying Amount	
1	Opening Gross Carrying Amount	0.87
2	Additions	-
3	Disposals	-
4	**Closing Gross Carrying Amount as at 31st March, 2025 (1+2+3)**	0.87
	Accumulated Amortisation and Impairment	
5	Opening Accumulated Amortisation	-
6	Amortisation Charge during the year	0.15
7	Disposals	-
8	**Closing Accumulated Amortisation and Impairment as at 31st March, 2025 (5+6+7)**	0.15
9	**Closing Net Carrying Amount as at 31st March, 2025 (4-8)**	**0.72**
	Year ended 31st March, 2026	
1	**Opening Gross Carrying Amount**	0.72
2	Additions	-
3	Disposals	-
4	**Closing Gross Carrying Amount as at 31st March, 2026 (1+2+3)**	0.72
	Accumulated Amortisation or Impairment	
5	Opening Accumulated Amortisation	0.15
6	Amortisation Charge during the Year	0.14
7	Disposals	-
8	**Closing Accumulated Amortisation and Impairment as at 31st March, 2026 (5+6+7)**	0.29
9	**Closing Net Carrying Amount as at 31st March, 2026 (4-8)**	**0.58**

Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Note	Particulars	As at 31.03.2026	As at 31.03.2025
6	**Other Non-Current Financial Assets**		
	Deposits Recoverable	59.12	47.33
	Total	**59.12**	**47.33**
7	**Deferred Tax Assets (net)**		
	The balance comprises Temporary Differences attributable to:		
	(a) Deferred Tax Liability		
	(i) Accelareted Depreaciation for tax purpose	792.43	734.86
	(ii) Other Items giving raise to temporary differance	1.56	0.35
	Total	**793.99**	**735.21**
	(b) Deferred Tax Asset		
	(i) Expenses allowable on Payment basis	25.01	25.75
	(ii) MAT Credit Entitlement	21.35	1.35
	(iii) Carryforwarded Losses	996.84	961.37
	(iv) Other Items giving raise to temporary differance	35.28	32.38
	Total	**1,078.48**	**1,020.85**
	Net Deferred Tax Assets (a)-(b)	**(284.49)**	**(285.64)**

(c) Movement in Deferred Tax Liabilities

Particulars	Property, Plant and Equipment	Other Items	Total
As at 01st April, 2024	**658.44**	0.64	**659.08**
Charged/(Credited)	76.42	(0.29)	76.13
As at 31st March, 2025	**734.86**	**0.35**	**735.21**
Charged/(Credited)	57.57	1.21	58.78
As at 31st March, 2026	**792.43**	**1.56**	**793.99**

(d) Movement in Deferred Tax Assets

Particulars	Expenses allowable on Payment basis	MAT Credit Entitlement	Carry forward losses	Others	Total
As at 01st April, 2024	**20.35**	1.35	**776.25**	29.02	**826.97**
Charged/(Credited)	5.40	-	185.12	3.36	193.88
As at 31st March, 2025	**25.75**	1.35	**961.37**	32.38	**1,020.85**
Charged/(Credited)	(0.74)	20.00	35.47	2.90	57.63
As at 31st March, 2026	**25.01**	**21.35**	**996.84**	**35.28**	**1,078.48**

Note	Particulars	As at 31.03.2026	As at 31.03.2025
8	**Other Non-Current Assets**		
	Capital Advances	521.73	-
		521.73	**-**
9	**Inventories**		
	(Cost or Net Realisable Value, whichever is lower and as valued and certified by the Management)		
	(a) Raw Materials	392.68	244.48
	(b) Stock in Process	392.68	365.09
	(c) Finished Goods	394.50	134.90
	(d) Coal & Fuel	5.86	1.80
	Total	**1,185.72**	**746.27**

10 Trade Receivables

Particulars	As at 31.03.2026	As at 31.03.2025
Considered good	652.90	295.89
Receivable from related parties (Refer Note 45)	54.60	130.19
Credit impaired	-	-
	707.50	426.08
Less: Allowance for Doubtful Debts	-	-
Total	**707.50**	**426.08**

a) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

b) Trade receivables are non-interest bearing

c) Of the trade receivables balance of Rs. 690.83 Lakhs is in aggregate (31st March,2025 Rs.346.30 Lakhs) is due from the Company's customers individually representing more than 5% of the total trade receivables balance.

Trade Receivables ageing schedule for the year ended 31st March, 2026

	Particulars	Outstanding Amount					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i)	Undisputed Trade Receivables - Considered good	694.67	0.19	-	-	12.64	707.50
ii)	Undisputed Trade Receivables - Which have significant increase in Credit Risk	-	-	-	-	-	-
iii)	Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-
iv)	Disputed Trade receivables						
	Total	**694.67**	**0.19**	-	-	**12.64**	**707.50**

Trade Receivables ageing schedule for the year ended 31st March, 2025

	Particulars	Outstanding from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i)	Undisputed Trade Receivables - Considered good	399.57	13.87	-	12.64	-	426.08
ii)	Undisputed Trade Receivables - Which have significant increase in Credit Risk	-	-	-	-	-	-
iii)	Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	-
iv)	Disputed Trade receivables						
	Total	**399.57**	**13.87**	-	**12.64**	-	**426.08**

Note No.	Particulars	As at 31.03.2026	As at 31.03.2025
11	**Cash and Cash Equivalents**		
	(a) Balances with Banks		
	- in Current Accounts	80.67	9.65
	(b) Cash in Hand	0.28	0.51
	Total	**80.95**	**10.16**
12	**Other Current Assets**		
	(Unsecured Considered Good)		
	GST Credit Receivable	214.72	117.50
	Advance to Suppliers	44.57	8.48
	Prepaid Expenses	20.59	25.06
	Interest Receivable	2.61	2.63
	Other Advances and Receivables	0.07	2.95
	Total	**282.56**	**156.62**
13	**Current Taxes (Net)**	**26.96**	**5.96**
13.1	Advance Tax	-	-
	TDS Receivable	26.96	5.96
	Less: Provision for Income Tax	-	-
	Total	**26.96**	**5.96**

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

14 Equity Share Capital

Note	Particulars	As at 31.03.2026		As at 31.03.2025	
		Number of Shares	Amount	Number of Shares	Amount
	Authorised Share Capital Number of Equity Shares of Rs. 10/- each	75,00,000	750.00	75,00,000	750.00
	Issued, Subscribed and Fully Paid Up Number of Equity Shares of Rs. 10/- each	70,72,650	707.26	70,72,650	707.26
	Total	**70,72,650.00**	**707.26**	**70,72,650.00**	**707.26**

14.1 Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the Year

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the Year	70,72,650	707.26	70,72,650	707.26
Issued During the Year	-	-	-	-
At the end of the Year	**70,72,650**	**707.26**	**70,72,650**	**707.26**

14.2 Rights attached to Equity Shares

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

14.3 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	% holding	Number of shares	% holding
Haleos Labs Limited (Formerly known as SMS Life Sciences India Limited)	**42,43,590**	60.00%	**42,43,590**	60.00%
Chemwerth	**24,75,428**	35.00%	**24,75,428**	35.00%
M. Madhu Rao	**3,53,632**	5.00%	**3,53,632**	5.00%

14.4 Details of shares held by the promoters of the Company

Equity Shares held by promoters as at 31st March, 2026 and 31st March 2025

Prmoter Name	As at 31st March, 2026			As at 31st March, 2025		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Haleos Labs Limited (Formerly known as SMS Life Sciences India Limited)	**42,43,590**	60.00%	-	**42,43,590**	60.00%	-

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

15 Other Equity

Particulars	As at 31.03.2026	As at 31.03.2025
Reserves and Surplus		
Security Premium	3,512.75	3,512.75
Retained Earnings	(217.94)	(348.49)
Total	**3,294.81**	**3,164.26**

15.1 Security Premium

Opening Balance	3,512.75	3,512.75
Additions	-	-
Closing Balance	**3,512.75**	**3,512.75**

15.2 Retained Earnings

Opening Balance	(348.49)	(14.42)
Net profit for the Year	122.08	(344.15)
Items of Other Comprehensive Income		
Remeasurement Gain/(Loss) of the Defined Benefit Plans, net of tax	8.47	10.08
Closing balance	**(217.94)**	**(348.49)**

15.3 Nature & Purpose of Reserves

(i) Security Premium:

Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Retained Earnings:

The accummulated earnings after appropriation of total comprehensive income and related transfers. The company uses retained earnings in accordance with the provisions of the Companies Act, 2013

(iii) Analysis of items of OCI, net of Tax

Re-measurement of defined benefit plans (refer note:32)

Re-measurement of defined plans comprises actuarial gains and losses and returns on plan assets

Note	Particulars	As at 31.03.2026	As at 31.03.2025
16	**Non Current Liabilities**		
16.1	**Secured**		
	(i) Foreign Curency Term Loan - RBL Bank -I	-	95.73
	(ii) Foreign Curency Term Loan - RBL Bank -II	1,477.60	-
	Sub Total	**1,477.60**	**95.73**
16.2	**Current Maturities of Non Current Borrowings**		
	Secured		
	(i) Foreign Curency Term Loan - RBL Bank -I	96.85	388.48
	(ii) Foreign Curency Term Loan - RBL Bank -II	-	-
	Total	96.85	388.48
	Amount disclosed under the head" Current Borrowings"	(96.85)	(388.48)
	Total	-	-

16.1.1 The Foreign Curency Loans (ECB) availed from RBL Bank have been fully hedged and rate of conversion has been fixed for loan-I @ Rs.69.37/- and for loan-II @ Rs.89.90/-.

16.1.2 Security Terms

(a) Foreign Curency Term Loan -I & II availed from RBL Bank are secured by Exclusive charge of all movable and immovable fixed assets and all current assets both present and future and guaranteed by T.V.Praveen, Managing Director, and Sri TVVSN Murthy, Director of the company, in their personal capacity and also Corporate Gaurantee of the Haleos Labs Limtied (formerly known as SMS Lifesceinces India Limited), Holding Company.

(b) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note : 36.

16.1.3 Rate of Interest

(a) the Term Loan from RBL -I carries an interest @ 10.40% p.a including hedging charges

(b) the Term Loan from RBL -II carries an interest @ 8.40% p.a including hedging charges

16.1.4 Terms of Repayment

(a) During the finalcial year 2019-20, the company has availed FC Term Loan from RBL Bank Limited amounting to Rs.1,942.36, Lakhs for funding the Expansion Project. The said loan is repayable in 24 Quarterly Installments commencing from September, 2020, as mentioed below

First 8 Quarters	Rs. 48.56 Lakhs Each
Next 16 Quarters	Rs. 97.12 Lakhs Each

(a) During the finalcial year 2025-26, the company has availed FC Term Loan from RBL Bank Limited amounting to Rs.1,477.60, Lakhs out of sanctioned amount of Rs.1,977.80 for funding its Expansion Project. The said loan is repayable in 20 Equal Quarterly Installments of Rs.98.89 Lakhs each commencing from April, 2027.

16.1.5 Current Maturities of Long Term borrowings have been disclosed seperately under the head current borrowings (Refer Note 18).

16.1.6 The Company has used the borrowings for the pupose for which it was taken.

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

16.2 Debt Reconciliation as required by Ind AS -7, Statement of Cash Flows

Particulars	As at 31.03.2026	As at 31.03.2025
Opening Borrowings	95.73	483.09
Add: Opening Current Maturities	388.48	415.15
Add: Amortisation of Transaction Cost	1.11	1.11
Add: Received during the year	1,477.60	-
Less: Paid during the year	(388.47)	(415.15)
Closing Borrowings	**1,574.45**	**484.21**
Less: Closing Current Maturities	(96.85)	(388.48)
Non Current Borrowings as per Balance Sheet	**1,477.60**	**95.73**

17 Provisions

Employee Benefit Obligations

Non Current		
Provison for Gratuity	50.33	58.86
Provisin for compensated absence	39.75	34.72
Sub Total	**90.08**	**93.58**
Current		
Provison for Gratuity	3.03	1.76
Provisin for compensated absence	1.15	0.89
Sub Total	**4.18**	**2.65**
Total		
Provison for Gratuity	53.36	60.62
Provisin for compensated absence	40.90	35.61
Grand Total	**94.26**	**96.23**

Note No.	Particulars	As at 31.03.2026	As at 31.03.2025
18	**Current Borrowings**		
	Current Maturities of long term borrowings	96.85	388.48
	Total	**96.85**	**388.48**
19	**Trade Payables**		
	(a) Creditors for Supply of Materials		
	(i) Due to Micro and Small Enterprises	22.74	41.04
	(ii) Dues to otherthan Micro and Small Enterprises	738.55	687.44
	Total	**761.29**	**728.48**

Trade Payables Valued at amortised cost

Particulars	Mach 31,2026	Mach 31,2025
Total Outstanding dues to creditors other than Micro and Small Enterprises	738.55	673.29
Outstanding dues to related parties (refer note 45)	-	14.15
Total	738.55	687.44
Total outstanding dues to Micro and Small Enterprises	22.74	41.04
Total	761.29	728.48

Terms and conditions of the above financial liabilities:

Trade Payables are non-interest bearing, Refer note no 44 for Interest payable to Micro and Small Enterprises

For explanations on the company's credit risk management processes, refer note no.39.

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Trade payables ageing schedule for the year ended 31st March, 2026

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Micro & Small Enterprises	22.74	-	-	-	22.74
ii) Others	738.01	0.51	0.03	-	738.55
iii) Disputed dues		-	-	-	-
Total	**760.75**	**0.51**	**0.03**	**-**	**761.29**

Trade payables ageing schedule for the year ended 31st March, 2025

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Micro & Small Enterprises	41.04	-	-	-	41.04
ii) Others	687.10	0.34	-	-	687.44
iii) Disputed dues	-	-	-	-	-
Total	**728.14**	**0.34**	**-**	**-**	**728.48**

Note No.	Particulars	As at 31.03.2026	As at 31.03.2025
20	**Other Financial Liabilities**		
	Current		
	Capital Creditors	218.08	55.42
	Creditors for Expenses	245.93	144.75
	Total	**464.01**	**200.17**
21	**Other Current Liabilities**		
	Statutory dues Payable	30.67	10.67
	Advance from Customers	4,926.08	4,445.76
	Employee Benefits Payable	1.91	2.82
	Total	**4,958.66**	**4,459.25**

21.1 Advance from Customers Includes an amount of Rs.4,307.21 Lakhs (previous year Rs. 4,438.62 Lakhs) received from related parties. Refer note no.45

Note No	Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
22	**Revenue from Operations**		
	(a) Sale of Goods	**5,007.01**	**4,395.63**
	Less: Goods and Service Tax	**(668.18)**	**(624.01)**
	Net Revenue from Sales	**4,338.83**	**3,771.62**
	(b) Income from Services		
	Conversion Charges	**639.66**	-
	Less: Goods and Service Tax	**(62.07)**	-
	Net Revenue from Services	**577.59**	-
	(c) Other Operating Income		
	Other Operating Income	979.76	452.64
	Export Incentives	5.83	3.22
	Net Other Operating Income	**985.59**	**455.86**
	Total Net Revenue from Operations	**5,902.01**	**4,227.48**

22.1 Net Revenue from operations includes an amount Rs.2,516.42 Lakhs (Previous year Rs.3,055.76 Lakhs) to related parties. Refer note.45

22.2 Reconciliation of revenue recognised with contract price

Particulars	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Revenue as per the contracted price	5,902.08	4,228.01
Adjusted for:		
Less: Sales returns, rebates, fees and discounts	(0.07)	(0.53)
Total revenue from operations	**5,902.01**	**4,227.48**

22.3 Disaggregation of Revenue

The following table shows the distribution of the Company's revenue based on the geographical location of the customers:

Region	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Within India	4,370.23	3,567.00
Outside India	1,531.78	660.48
Total revenue from operations	**5,902.01**	**4,227.48**

22.4

Timing of Revenue Recognition	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Goods transferred at a point in time	4,344.66	3,774.85
Services transferred at a over the time	1,557.35	452.64
Total	**5,902.01**	**4,227.48**

22.5 Details of Contract Liabilities

Particulars	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Contract liabilities (refer note 21)	4,926.08	4,445.76
Total	**4,926.08**	**4,445.76**

The Contract liabilities are primarily relate to advance consideration received from customers for sale of products, for which revenue is recorded at a point in time/over the time. The amount of Rs. 2,337.52 Lakhs (Previous year Rs.2,388.54 Lakhs) included in contract liabilities as at 31st March, 2025 has been recognised as revenue in the current year.

Note No	Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
23	**Other Income**		
	(a) Interest Income	5.28	3.91
	(b) Exchange Fluctuation	-	4.60
	(c) Miscellaneous Income	112.60	88.34
	Total	117.88	96.85
24	**Cost of Materials Consumed**		
	Raw Materials & Packing Materials		
	Stock at the Beginning of the Year	242.22	271.32
	Add: Purchases	2,878.48	1,597.83
	Less: Stock at the End of the Year	(387.25)	(242.22)
	Total Materials Consumed	2,733.45	1,626.93
24.1	Purchases includes an amount of Rs.398.12 Lakhs (Previous year Rs.479.89 Lakhs) from related parties. Refer note 45		
25	**Changes in Inventories**		
	(a) Opening Stock of Inventory		
	Finished Goods	134.90	192.66
	Stock in Process	365.09	334.25
	Sub Total (a)	499.99	526.91
	(b) Closing Stock of Inventory		
	Finished Goods	394.49	134.90
	Stock in Process	392.68	365.09
	Sub Total (b)	787.17	499.99
	(Increase)/Decrease in Stocks (a) - (b)	(287.18)	26.92
26	**Manufacturing Expenses**		
	Power and Fuel	545.53	502.85
	Consumable Stores	92.58	85.33
	Testing Charges	27.27	19.91
	Water Charges	37.35	33.31
	Conversion Charges	0.21	0.07
	Effluent Treatment Charges	194.71	166.25
	Repairs and Maintenance		
	to Plant & Machinery	117.58	104.31
	to Buildings	5.67	31.07
	Factory Maintenance	50.13	57.37
	Total	1,071.03	1,000.47
27	**Employee Benefits Expense**		
	Salaries, Wages and Bonus	1,455.24	1,242.74
	Contribution to Provident Fund	48.42	44.46
	Contribution to ESI	1.88	2.50
	Staff Welfare Expenses	93.44	86.40
	Total	1,598.98	1,376.10

Note No	Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
28	**Finance Cost**		
	Interest on Non Current Borrowings	35.90	77.23
	Interest on Others	1.34	3.85
	Bank Charges	3.86	2.10
	Total	41.10	83.18
29	**Depreciation and Amortisation Expense**		
	Depreciation on Property, Plant and Equipment (refer note no.4)	480.34	473.98
	Amortisation of Intangible Assets (refer note no.5)	0.15	0.14
	Total	480.49	474.12
30	**Other Expenses**		
	Rent	6.37	7.52
	Rates and Taxes	11.89	3.89
	Repairs & Maintenance to other Assets	2.21	3.36
	Insurance	24.50	26.79
	Travelling and Conveyance	2.55	1.18
	Communication Expenses	3.00	2.39
	Printing and Stationery	15.99	15.22
	Payments to Auditors	4.05	4.05
	Regulatory Filing Fee	117.65	92.83
	Vehicle Maintenance	15.16	13.70
	Interest on Indirect Taxes	0.93	-
	General Expenses	20.41	7.68
	Sales Commission	1.86	-
	Carriage Outward	9.80	10.81
	Packing Material	14.15	12.63
	Exchange Fluctuation	11.25	-
	Total	261.77	202.05

30.1 Rent includes an amount of Rs.6.37 lakhs including GST (Previous year Rs.6.37 Lakhs) paid to related party. Refer note no.45

Note No	Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
30.2	**Details of payment to Auditors**		
	Statutory Audit fee	3.00	2.00
	Tax Audit fee	1.00	1.00
	Others	0.05	0.05
	Total	4.05	3.05

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Note No	Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
31	**Income Tax Expense**		
	Current Tax		
	Current Tax on Profits for the Year	20.00	-
	MAT Credit Entitlement	(20.00)	-
	Total Current Tax	-	-
	Deferred Tax		
	Increase(Decrease) in Deferred Tax Liabilities	58.78	76.13
	Decrease(increase) in Deferred Tax Assets	(57.63)	(193.88)
	Acturial (Gain)/Loss	(2.98)	(3.54)
	Total Deferred Tax Expense/(Benefits)	**(1.83)**	**(121.29)**
	Total Tax Expenses	**(1.83)**	**(121.29)**
31.1	**Income Tax Recognised in Statement of Profit and Loss**		
	(a) Profit Before Income Tax Expenses	120.25	(465.44)
	(b) Enacted Tax Rate in India	16.69%	26.00%
	(c) Expected Tax Expenses (a)x(b)	**20.07**	**(121.01)**
	(d) Tax Effect of :		
	Expenses not allowed under Tax Laws	1.95	0.71
	Adjustment for allowable Expenses under Tax Laws	(3.85)	(0.99)
	MAT Credit Entitlement	(20.00)	-
	Others	-	-
	Total Adjustments	**(21.90)**	**(0.28)**
	Expenses as per Profit & Loss	**(1.83)**	**(121.29)**
32	**Other Comprehensive Income**		
	Actuarial Gain/(Loss) on Post Employment Benefit Expenses	11.11	13.30
	Return on Plan Assets excluding net interest	0.34	0.32
		11.45	**13.62**
	Deferred Taxes on above	(2.98)	(3.54)
	Net Comprehensive Income	**8.47**	**10.08**
33	**Earnings Per Share**		
	(a) Net Profit	122.08	(344.15)
	(b) Weighted Avg.No. of Equity Shares	70,72,650	70,72,650
	(c) Earnings Per Share (Amt in Rs.)	1.73	(4.87)

34 CSR Liability

As per Section 135 (I) of the Companies Act, 2013 Corporate Social Responsibility provisions are not applicable to the Company for the financial year 2025-26, as the Company is within the specified limits of the said section

35 Post Employment Benefits

35.1 Defined Contribution Plans

35.1.1 Employer's Contribution to Provident Fund:

Contributions are made to a provident fund in India for employees in accordance with the requirements of Employees' Provident funds and Miscellaneous Provisions Act, 1952 and applicable provisions of Code on Social Security, 2020 and rules thereunder. The contributions are made to registered provident fund administered by the government. This obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards this defined contribution plan is Rs.48.42 Lakhs (Previous Year Rs. 44.46 Lakhs).

35.1.2 Employer's Contribution to State Insurance Scheme:

Contributions are made to State Insurance Scheme in India for employees in accordance with the requirements of Employees' State Insurance Act, 1948 and applicable provisions of Code on Social Security, 2020 and rules thereunder. The contributions are made to Employees State Insurance Corporation(ESIC) of the government. This obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards this defined contribution plan is Rs.1.88 lakhs (Previous Year Rs.2.50 Lakhs)

35.2 Defined Benefit Plans

The Company has a defined benefit gratuity plan governed by Payment of Gratuity Act, 1972 and appluicable provisions of Code on Social Secutity, 2020 and rules thereunder. Every Employee who has completed five years or more of service is entilted to a gratuity on departure at 15 days salary for each completed year of Service. The Scheme is funded through a policy with Life Insurance Corporation of India (LIC).

The Company has a defined benefit Compensated Absence Plan governed by the Factories Act, 1948 and applicable provisions of Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code). Every Employee who has worked for a period of 240 days or more during a calendar year shall be allowed during the subsequent calendar year, leave with wages for a number of days calculated as per Act.

The following table summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance Sheet for both the plans:

	Particulars	31st March, 2026		31st March, 2025	
		Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave Encashment (unfunded)
35.2.1	**Net Employee Benefit Expense**				
	(recognised in Employee Benefit Expenses)				
	Current Service Cost	25.86	14.40	24.27	16.71
	Interest Cost	3.28	2.38	3.30	1.94
	Contribution Paid	(24.95)	(1.90)	-	(1.20)
	Actuarial (Gain)/Loss otherthan OCI	-	(9.58)	-	(9.99)
	Net Employee Benefit Expenses	**4.19**	**5.30**	**27.57**	**7.46**
35.2.2	**Other Comprehensive Income**				
	Acturial (Gain)/Loss	(11.11)	-	(13.30)	-
	Actual return on plan assets	(0.34)	-	(0.32)	-
		(11.45)	-	(13.62)	-
35.2.3	**Amount recognised in the Balance Sheet**				
	Defined Benefit Obligation	127.39	40.90	107.62	35.61
	Fair Value of Plan Assets	(74.03)	-	(47.00)	-
		53.36	**40.90**	**60.62**	**35.61**
35.2.4	**Change in the Present Value of the Defined Benefit Obligation**				
	Opening Defined Benefit Obligation	107.62	35.61	93.27	28.14
	Current Service Cost	25.86	14.40	24.27	16.71
	Interest Cost	7.25	2.38	6.44	1.94
	Benefits Paid	(2.23)	(1.90)	(3.06)	(1.20)
	Net Acturial (gain)/ losses	(11.11)	(9.59)	(13.30)	(9.99)
	Closing Defined Benefit Obligation	**127.39**	**40.90**	**107.62**	**35.61**

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

35.2.5 **Change in the Fair Value of Plan Assets**

Opening Fair Value of Plan Assets	47.00	-	46.60	-
Return on Plan Assets Excluding Intererst Income	0.34	-	0.32	-
Interest Income	3.97	-	3.14	-
Contributions	24.95	-	-	-
Benefits Paid	(2.23)	-	(3.06)	-
Closing Fair Value of Plan Assets	74.03	-	47.00	-

35.2.6 Acturial (Gain)/Loss on Obligation

Due to Demographic Assumption	-	-	-	-
Due to Financial Assumption	(15.28)	-	2.56	-
Due to Experience	4.17	-	(15.86)	-
Return on Plan Assets excluding Interest	-	-	-	-
Total Acturial (Gain)/Loss	(11.11)	-	(13.30)	-

35.2.7 The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31st March, 2026	31st March, 2025
*Fund managed by Life Insurance Corporation of India (Unquoted)	100%	100%

*Fund is managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available.
Expected Return on Assets is based on rate of return declared by fund managers.

35.2.8 **Acturial Assumptions for estimating Company's Defined Benefit Obligation:**

Particulars	31 March 2026	31 March 2025
Interest / Discount rate	7.67%	6.79%
Attrition Rate	2.00%	2.00%
Expected rate of increase in Salary	6.00%	6.00%
Mortality Table	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Expected average remaining Service (Yrs)	17.98	18.05

(a) Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

(b) Plan assets does not comprise any of the Company's own financial instruments or any assets used by the Company. The Company has the plan covered under a policy with the Life Insurance Corporation of India.

(c) The Significant acturial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. However, the impact of these changes is not ascertained to be material by the management.

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

35.2.9 **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	31 March 2026	31 March 2025
Defined Benefit Obligation	53.36	60.62
Effect of 1% change in assumed discount rate on defined benefit obligation		
Increase : +1%	112.78	94.43
Decrease: -1%	144.96	123.61
Effect of 1% change in assumed salary escalation rate on defined benefit obligation		
Increase : +1%	144.85	123.38
Decrease: -1%	112.64	94.38

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant acturial assumptions, the same method (Projected Unit Credit Method) has been applied while calculating the defined benefit liability recognised within the Balance Sheet.

35.2.10 **Other Information**

(i) Expected rate of return basis

Since the scheme funds are invested with LIC of India EROA is based on rate of return declared by fund managers

(ii) Description of Plan Assets and Reimbursement Conditions

100% of the Plan Asset is entrusted to LIC of India under their Group Gratuity Scheme. The reimbursement is subject to LIC's Surrender Policy

(iii) Discount Rate

The discount rate has increased from 6.79% to 7.67% and hence there is a decrease in liability leading to actuarial gain due to change in discount rate.

(iv) Present Value of Defined Benefit Obligation:

Present value of the deined benefit obligation is calculated by using Projected Unit Credit Method (PUC Method). Under the PUC Method, a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The "Projected accrued benefit" is based on the Plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the acturial present value of the " Projected accrued benefits" as of the begining of the year for active members.

(v) Expected Average remaining service vs. Average remaining future service:

The average remaining service can be arithmatically arrived by deducting current age from normal retirement age whereas the expected average remaining service is arrived acturially by applying multiple decrements to the average remaining future service namely mortality and withdrawals. Thus, the expected average remaining service is always less than the average remaining future service.

(vi) Current and Non Current Liability:

The total of current and non-current liability must be equal with the total of PVO (Present value obligation) at the end of the period plus short term compensated liability if any. It has been classified in terms of " Schedule III" of the Companies Act, 2013.

(vii) Defined Benefit Liability and Employer Contributions

The Company has purchased insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The company considers that the contribution rate set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs will not increase significantly.

The Weighted Average duration of the defined benefit obligation is 13.77 years(Previous Year 14.22 years). The expected cash flows over the subsequent years is as follows:

Expected Payout Gratuity	31st March, 2026	31st March, 2025
1st Year	3.03	1.76
2nd Year	3.40	2.53
3rd Year	5.38	2.81
4th Year	10.07	4.54
5th Year	4.08	9.80
beyond 5th Year	54.00	38.89

35.2.11 **Risk exposure**

Though it is defined benefit plan, the company is exposed to a number of risks, the most significant of which are detailed below:

(a)Investment / Interest Risk:
The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

(b) Longevity Risk:

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

(c) Risk of Salary Increase
The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

35.2.12 **New Labour Codes and implications**

On November 21, 2025, the Government of India notified four Labour Codes, effective immediately, replacing the xisting 29 labour laws. In accordance with Ind AS 19 - Employee benefits, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the Statement of Profit and Loss. This approach is consistent with the guidance issued by the Institute of Chartered Accountants of India.

The Company is in compliance with the basic wages criteria as prescribed under New Labour Codes for its employees and also for contract workforce. In view of this and based on the best information available the management is of the view, that no further provision is required.

36 Assets Pledged as Security

For Non Current Borrowings
Secured by First Charge on all Property, Plant and Equipment, apart from Current Assets.

The carrying amounts of Company's assets pledged as security for Borrowings of an amount of Rs 1,574.45 Lakhs (Previous year Rs 484.21 Lakhs) are as follows:

Particulars	31st March, 2026	31st March, 2025
Property, Plant and Equipment	7,792.98	8,161.08
Current Assets	2,283.69	1,345.09
Total Assets Pledged as Security	**10,076.67**	**9,506.17**

Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Financial Instruments and Risk Management

37 Categories of Financial Instrument

Particulars	Notes	Level	As at 31 March, 2026		As at 31 March, 2025	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial Assets						
a. Measured at fair value						
(i) Non Current						
(a) Other Financial Assets	6	3	59.12	59.12	47.33	47.33
Sub - Total			**59.12**	**59.12**	**47.33**	**47.33**
(ii) Current						
(a) Trade Receivables	10	refer note 37.2	707.50	707.50	426.08	426.08
(b) Cash and Cash Equivalents	11		80.95	80.95	10.16	10.16
Sub - Total			**788.45**	**788.45**	**436.24**	**436.24**
Total Financial Assets			**847.57**	**847.57**	**483.57**	**483.57**
B. Financial Liabilities						
a. Measured at fair value						
(i) Non Current						
(a) Borrowings	16	3	1,477.60	1,477.60	95.73	95.73
(ii) Current						
(a) Borrowings	18	refer note 37.2	96.85	96.85	388.48	388.48
(b) Trade Payables	19		761.29	761.29	728.48	728.48
(c) Other Financial Liabilities	20		464.01	464.01	200.17	200.17
Sub - Total			**1,322.15**	**1,322.15**	**1,317.13**	**1,317.13**
Total Financial Liabilities			**2,799.75**	**2,799.75**	**1,412.86**	**1,412.86**

37.1 The Company's Principal Financial liabilities comprises Loans and Borrowings, Trade Payables and other Liabilities. The main purpose of these financial Liabilities is to Finance the Company's Operations. The Company's Principal Financial Assets include Trade and other Receivables, Cash and Cah Equivalents, Bank Blances that derive directly form its Operations.

37.2 The Carrying Amounts of Trade Payables, other Financial Liabilities, Cash and Cash equivalents, other Bank Balances, Trade Receivables and Other Financial Assets are considered to be the same as their fair values due to their short term nature.

37.3 Other Financial Assets consits of certain non current portion relating to deposits with Government authorities where the fair value is considered to be the carrying value.

38 Fair Value Measurements

38.1 Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observables market data rely as little as possible on entry specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

39 Financial Risk Management Objectives and Policies

Financial Risk Management Framework

The Company is exposed primarily to credit risk, liquidity risk and market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversley impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

39.1 Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditwrothiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for cerdit. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in Material Concentration of credit risk, except for Trade Receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The Company's maximum exposure to credit risk as at 31st March, 2026 and 31st March, 2025 is the carrying value of each class of financial assets.

(i) Financial Instruments and Cash Deposits

For banks and financial institutions, only high rated banks/ institutions are accepted. Other Financial assets (excluding Bank deposits) majorly constitute deposits given to State electricity department for supply of power, which the company considers to have negligible credit exposure. Counterparty credit limits are reviewed by the Management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

(ii) Expected Credit Loss for Trade Receivables under simplified approach

The Company has used an expected credit loss (ECL) model for assessing the impaiment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from its customers.

Following are the Expected Credit Loss for Trade Receivables under simplified approach:

Particulars	31st March, 2026	31st March, 2025
Gross Carrying Amount	707.50	426.08
Expected Loss Rate	0.00%	0.00%
Expected Credit Losses (Loss allowance Provision)	-	-
Net Carrying Amount of Trade Receivables	707.50	426.08

Expected Credit Loss for Trade Receivables under simplified approach:

Particulars	Outstanding Amount					Total
	< 6 months	6 months to 1 year	1-2 years	2-3 years	> 3 years	
Gross Carrying Amount	694.67	0.19	-	-	12.64	707.50
Expected Loss Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected Credit Losses (Loss Allowance Provision)	-	-	-	-	-	-
Net Carrying Amount of Trade	694.67	0.19	-	-	12.64	707.50

39.2 Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities with the suport of the Holding Company.

39.3 Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial isntrument will fluctuate because of changes in market price. Market prices comprise three types of risk, currency rate risk, interest rate risk and other price risks such as equity risk. Forign curency risk impact is not significant as the foreign currency term loan was hedged with the concerned lender. Other Foreign Curency transcations are very meager.

39.4 Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market ineterest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest risk management by balancing the proportion of fixed rate and floating rate financial instruments in its portfolio.

Particulars	Change in basis points		Effect on Profit before	
	Increase	Decrease	Decrease	Increase
31st March, 2026	0.50%	0.50%	(7.87)	7.87
31st March, 2025	0.50%	0.50%	(2.42)	2.42

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

39.5 Other Price Risk:

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market price (other then thouse arrising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

40 Capital Management

For the purpose of the Company's Capital Management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholders value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Company intends to keep the gearing ratio less than 1. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short term deposits.

Particulars	31st March, 2026	31st March, 2025
Borrowings including Interest Accrued	1,574.45	484.21
Less: Cash and Short Term Deposits	(80.95)	(10.16)
Net Debt	**1,493.50**	**474.05**
Equity	707.26	707.26
Other Equity	3,294.81	3,164.26
Total Equity	**4,002.07**	**3,871.52**
Gearing Ratio (Net Debt/(Net Debt +Total Equity))	0.37	0.12

41 Contingent Liabilities

Particulars	31st March, 2026	31st March, 2025
Electricity Duty	83.76	38.43

42 Commitments

Capital Commitments are Rs 615.08 Lakhs as on 31st March 2026. (31st March, 2025, Rs. 44.83 Lakhs)

43 Segment Information

A Basis for segmentation

The operations of the Company are limited to one segment viz. Manufacturing and sale of Active Pharmaceutical Ingrediants and their Intermediates. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only. The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on aggregation of financial information of the Company on a periodic basis, for the purpose of allocation of resources and evaluation of performance. Accordingly, management has identified pharmaceutical segment as the only operating segment for the Company.

B Segment information for secondary segment reporting (by geographical segment)

The Company is engaged in the manufacture of Pharmaceuticals, which in the context of Ind AS 108 is considered only business segment.

The Company has reportable geographical segments based on location of its customers:
(i) Revenue from customers outside India - Exports
(ii) Revenue from customers within India - Domestic
(iii) Revenue from Export Incentives

a) Revenues are attributed to geographical areas based on the location of the customers as

Particulars	Current Year 2025-26		Previous Year 2024-25	
	Revenue	%	Revenue	%
Exports	1,531.78	25.95%	660.48	15.62%
Domestic	4,364.40	73.95%	3,563.78	84.30%
Export Incentive	5.83	0.10%	3.22	0.08%
Total	**5,902.01**	**100.00%**	**4,227.48**	**100.00%**

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

44 Payables to Micro & Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	22.74	41.04
(ii) Interest on payments beyond the appointed day paid to the suppliers during the year		
(iii) Interest due and payable for the delay in making payment to suppliers during the year	1.33	3.85
(iv) Amount of interest accrued and remaining unpaid to suppliers at the end of the year		
(v) Amount of further interest remaining due and payable to suppliers in succeeding years		

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

45 Related Party Transactions

(a) Key Management Personnel(KMP)

Name	Relationship
Sri T.V.Praveen	Managing Director
Sri TVVSN Murthy	Director
Sri. P.Sarath Kumar	Independent Director
Sri. M.Madhu Rao	Nominee Director

(b) Holding Company:

Haleos Labs Limited (formerly known as SMS Lifesciences India Limited)

(c) Enterprises overwhich KMP are able to Exercise Significant Influence:

Purogene Labs Private Limited

(d) Other Related parties with whom trasancations have taken place during the current year and / or previous year:

SMS Pharmaceutials Limited
Chemwerth Inc

Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

(e) Transactions with Related Parties:

Name of the Company	31st March, 2026 Amount	31st March, 2025 Amount
Holding Company		
Haleos Labs Limited		
Purchase of Goods	469.79	552.14
Purchase of Capital Goods	13.27	4.65
Sale of Goods	2,623.61	3,094.34
Sale of Capital Goods	-	3.57
Rent Paid	6.37	6.37
Enterprise with Significant Influence		
Purogene Labs Private Limited		
Purchase of Goods	-	14.15
Sale of Goods	13.22	-
Other Related party		
Chemwerth Inc.		
Sale of Goods	88.98	229.11
Sale of Services	25.14	8.05
SMS Pharmaceuticals Limited		
Purchase of Goods	-	2.33
Sale of Goods	197.89	229.25
Balance (Payable)/Receivable at the year end		
Holding Company		
Halesos Labs Limited	(3,959.37)	(4,001.80)
Enterprise with Significant Influence		
Purogene Labs Private Limited	-	(14.15)
Other Related party		
Chemwerth Inc.	(347.84)	(436.82)
SMS Pharmaceuticals Limited	54.60	130.19

(g) Note:

i) The above transactions are in the ordinary course of business and are at arm's length price. Outstanding balances at the year-end are unsecured. Assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

ii) The above transactions are including GST wherever applicable.

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

46 Ratios

The following are analytical ratios for the year ended March 31, 2026 and March 31, 2025

Particulars	Numerator	Denominator	31st March, 2026	31st March, 2025	Variance	Reasons for Variance
Current Ratio	Current Assets	Current Liabilities	0.36	0.23	56%	Current Assets have imroved with improved operations.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.39	0.13	215%	Variance is due to increase in long term borrowing.
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	4.81	0.44	981%	Variance is due to increase in earinings available for debt service and reduction in debt re-payable.
Return on Equity (ROE)	Net profit after taxes	Average Shareholder's Equity	3.10%	-8.52%	136%	Variance is due to increase in operations.
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	6.11	5.44	12%	Variance is due to increase in operations.
Trade Receivables Turnover Ratio	Revenue from Operations	Average Receivables.	10.41	13.50	-23%	Variance is due to increase in operations.
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	3.86	1.89	104%	Variance is due to increase in operations.
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	1.48	0.95	55%	Variance is due to improvement in Net working capital
Net Profit Ratio	Net Profit	Revenue from Operations	2.07%	-8.14%	125%	Variance is due to increase in operations.
Return on Capital Employed (ROCE)	Earnings Before Interest and Taxes (EBIT)	Capital Employed	2.89%	-8.78%	133%	Variance is due to increase in operations.
Return on Investment	Income generated from investments	Investment	NA	NA	-	

47 Other Statutory Information

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

ii) The Company does not have any transactions with companies struck off.

iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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.

viii) The Company has not any such transactions which is not recorded in the books of account 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 provisons for the Income Tax Act, 1961.

ix) The Company has not entered into any scheme of arrangements which has an accounting impact on current and previous financial year

x) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMP's and the related parties as defined under Companies Act, 2013.

xi) The Company has Complied with the relavant provisions of the Foreign Exchange Management Act 1999 and the companies act for the above transcations and the transcations are not violative of the Prevention of Money Laundering Act 2002.

xii) The loan has been utilised for the purpose for which it was obtained and no short term funds have been used for long term purpose.

xiii) The Company has not entered into any scheme of arrangements which has an accounting impact on current or previous year.

48 Subsequent Event

No significant subsequent events have been observed till 29th May, 2026 which may require any aditional disclosure or an adjustment to the financial statements

49 Figures have been rounded off to the nearest rupees in Lakhs

50 Previous year figures have been regrouped and reclassified whenever considered necessary to confirm to this year classification

As per our report of even date
for RAMBABU & CO
Chartered Accountants
FRN 002976S

RAMBABU & CO. CHARTERED ACCOUNTANTS HYDERABAD

GVL Prasad
Partner
M No. 026548

Place : Hyderabad
Date : 29th May,2026

for and on behalf of the Board of Directors of
Mahi Drugs Private Limited

TVVSN MURTHY
Director
DIN No: 00465198

T V PRAVEEN
Managing Director
DIN No: 08772030