

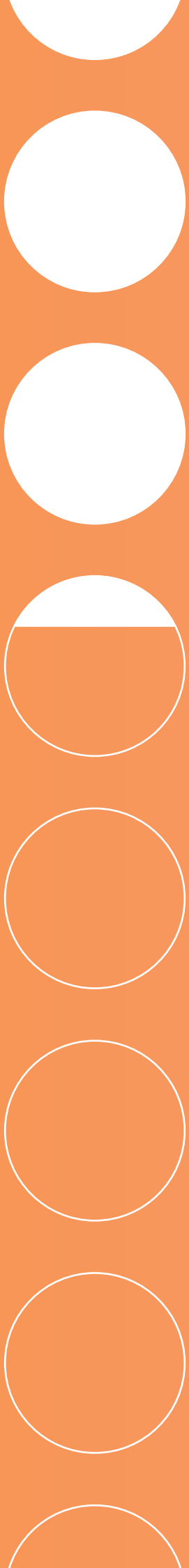
BUILDING
WITH
INTENT.
GROWING
WITH
SCIENCE.



HESTER

Hester Biosciences Limited
39th Annual Report 2025-26

HESTER



BUILDING
WITH
INTENT.
GROWING
WITH
SCIENCE.

Hester Biosciences Limited
39th Annual Report 2025-26



CORPORATE
INFORMATION

BOARD OF DIRECTORS

Dr. Bhupendra Gandhi	Chairman
Mr. Rajiv Gandhi	CEO & Managing Director
Ms. Priya Gandhi	Executive Director
Mr. Sanjiv Gandhi	Director
Mr. Ravin Gandhi	Director (up to 12 May 2026)
Ms. Nina Gandhi	Alternate Director (up to 12 May 2026)
Ms. Sandhya Patel	Independent Director
Mr. Ashok Bhadakal	Independent Director
Mr. Ameet Desai	Independent Director
Mr. Anil Jain	Independent Director
Mr. Jatin Trivedi	Independent Director

AUDIT COMMITTEE

Mr. Ashok Bhadakal	Chairperson
Ms. Sandhya Patel	
Ms. Priya Gandhi	

STAKEHOLDERS' GRIEVANCES AND RELATIONSHIP COMMITTEE

Ms. Sandhya Patel	Chairperson
Mr. Rajiv Gandhi	
Ms. Priya Gandhi	

NOMINATION & REMUNERATION COMMITTEE

Mr. Ashok Bhadakal	Chairperson
Ms. Sandhya Patel	
Mr. Sanjiv Gandhi	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Rajiv Gandhi	Chairperson
Mr. Sanjiv Gandhi	
Ms. Sandhya Patel	

RISK MANAGEMENT COMMITTEE

Mr. Rajiv Gandhi	Chairperson
Ms. Priya Gandhi	
Ms. Sandhya Patel	

MANAGEMENT COMMITTEE

Mr. Rajiv Gandhi	Chairperson
Ms. Priya Gandhi	
Mr. Sanjiv Gandhi	

REGISTERED OFFICE AND MANUFACTURING UNIT

Village: Meda Adraj,
Taluka: Kadi, District: Mehsana
Gujarat - 384441, India

CHIEF FINANCIAL OFFICER

Mr. Ashish Desai

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vinod Mali

STATUTORY AUDITOR

Chandulal M Shah & Co.
Chartered Accountants,
Ahmedabad

INTERNAL AUDITOR

Ernst & Young LLP (EY)
Ahmedabad

SECRETARIAL AUDITOR

Shah & Shah Associates
Practicing Company Secretaries
Ahmedabad

BANKER

State Bank of India
A-FF-1, First Floor, Iscon Elegance,
S G Highway, Prahladnagar Cross Road,
Ahmedabad 380015

REGISTRARS AND SHARE TRANSFER AGENTS

MUFG Intime India Private Limited
(Unit: Hester Biosciences Limited)
506-508, Amarnath Business Centre- 1
(ABC-1), Near St. Xavier's College Corner,
Off. C. G. Road, Ellisbridge,
Ahmedabad 380006

STOCK EXCHANGES

BSE Limited (524669)
National Stock Exchange of India Limited
(HESTERBIO)

ISIN INE782E01017

CIN L99999GJ1987PLC022333



BUILDING
WITH INTENT.
GROWING
WITH SCIENCE.

For 39 years, Hester Biosciences has built a resilient and purpose-driven organisation through clear intent, disciplined execution, operational excellence and a long-term focus on stakeholder value. We have grown with science, investing in innovation, strengthening our biological portfolio and leveraging cutting-edge manufacturing to protect animal health and support livelihoods.

In FY 2025–26, this approach translated into important milestones. We capitalised our Fill-Finish facility and BSL-3 facility represents a significant step in enhancing our ability to support future product development, manufacturing scaleup and market expansion. This expansion was complemented by the receipt of marketing and manufacturing licences for our H9N2 low pathogenic Avian Influenza vaccine, strengthening our offering in a critical area of poultry health.

We continued to bring structure and focus to our operations in Africa, while maintaining profitability resilience through a favourable product mix and disciplined cost management. These outcomes reflect steady execution rather than one-time gains.

Our focus remains firmly on the people we serve: farmers, veterinarians and partners who rely on consistent quality and dependable supply. Every product reflects careful research, rigorous quality standards and coordinated effort across teams to ensure reliability in the field.

As we look ahead, we will continue to strengthen our scientific capabilities and operational systems with the same measured approach. We remain committed to responsible growth, regulatory discipline and sustained value creation. Building with intent and growing with science will continue to guide how we plan, execute and deliver.

This is Hester — building purposefully, growing scientifically.

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The background of the page is a blurred photograph of a landscape. It features a field of tall grass or crops in the foreground, a line of trees in the middle ground, and a bright, circular light source (likely the sun or moon) in a pale blue sky. The overall aesthetic is soft and natural.

P.12

CORPORATE
OVERVIEW



A LEGACY, BUILT OVER TIME

KEY MILESTONES



1983

Commenced operations as a proprietary firm, distributing poultry medicines and feed additives in the districts of Thane and Raigad in Maharashtra



1987

Formed Hester Pharmaceuticals Private Limited to acquire the exclusive marketing rights of overseas brands in the Indian market



1990

Signed exclusive marketing agreement with Ghen Corporation, Japan, for poultry feed additives and with Maine Biological Laboratories (MBL), USA, for poultry vaccines



1994

Listed on the Bombay Stock Exchange



1997

Commenced marketing of locally produced poultry vaccines



2007

Expanded manufacturing capacity fourfold



2012

Launched health products



2013

Received WHO-GMP certification and DSIR registration for the in-house R&D unit



2015

Listed on the National Stock Exchange of India Limited



2016

Commissioned a vaccine manufacturing plant in Nepal



2017

Completed the world's largest backyard poultry immunisation programme with GALVmed (Global Alliance for Livestock Veterinary Medicines, Edinburgh)



2021

Commissioned a vaccine manufacturing plant in Tanzania



2022

Launched the Petcare Division



2023

Obtained regulatory approval for the BSL-3 facility



2024

Achieved a milestone of INR 3 Billion in consolidated revenues



2026

Received marketing and manufacturing licences for the Inactivated Avian Influenza (Low Pathogenic, H9N2 Strain) Vaccine for poultry. This strengthened portfolio preparedness and enabled export opportunities



Secured permission to repurpose the BSL-3 facility for veterinary use



Participated in the GALVmed-led VITAL programme through Hester Africa, supporting expanded access to vaccines and their adoption for ruminant diseases across Africa





OVERVIEW

A YEAR OF INTENT AND READINESS



FY 2025-26 was a year of steady, thoughtful progress and deliberate strengthening for Hester Biosciences. The external environment remained fragmented, with demand moving differently across segments, shaped by seasonal disease patterns, regional conditions and the structure of India's veterinary market across trade and institutional channels.

In the trade market, demand often picks up quickly when field conditions shift, then stabilises just as quickly as the cycle normalises. In contrast, institutional and tender-led business follows defined procurement calendars, budgets and fulfilment schedules, requiring greater documentation and compliance preparedness. Through the year, the Company remained focused on controllable priorities: better execution, stronger governance and sharper readiness to scale with consistency. Petcare continued to see steady momentum, supported by growing urban adoption and deeper veterinarian-led awareness of preventive care.



**STRATEGIC
MILESTONES**

**SCALED OPERATIONAL
GOVERNANCE**

**SCIENCE-LED
PREPAREDNESS**

**STRENGTHENED
APPROVAL READINESS**

**MARKET-FOCUSED
PORTFOLIO STRATEGY**

**IMPROVED CHANNEL AND
SEASONALITY READINESS**

**CUSTOMER-CONNECTED
EXECUTION**

**INTERNATIONAL FOOTPRINT
CONSOLIDATION**



More consistent operating rhythms, stronger process standardisation, disciplined manpower deployment and tighter functional controls supported efficiency despite fragmented demand patterns

Continued focus on scientific rigour and portfolio preparedness, supported by regulatory progress and deeper technical engagement across development stages

Early regulatory alignment improved submission quality and reduced avoidable rework, sharpening preparedness for complex approvals



Precise prioritisation across portfolios and geographies, with calibrated market engagement to consolidate positioning across trade and institutional channels

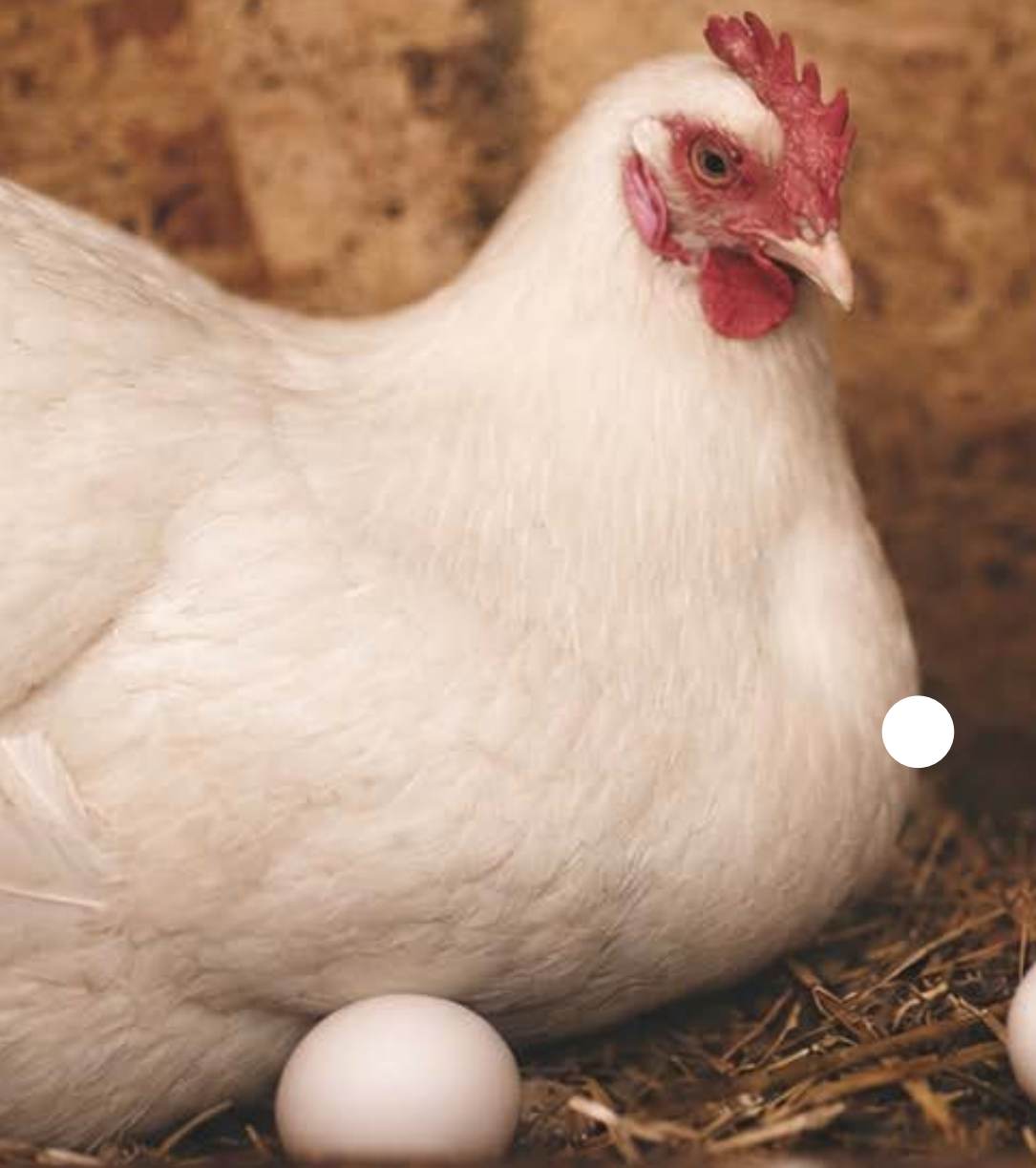
Enhanced planning for seasonal peaks and demand variability, aligning trade requirements with tender preparedness to ensure seamless fulfilment across time-bound windows

Consistent on-ground engagement and dependable supply helped reinforce trust with veterinarians, trade partners and institutional customers. Relationships in this sector are built over time and reliability remains central to our approach

International operations remained stable, with growing traction in parts of Africa and steady performance in Tanzania. Focus remained on building sustainable presence in priority international markets



KEY
HIGHLIGHTS
● F FY26



	STANDALONE	CONSOLIDATED
REVENUE FROM OPERATIONS	INR 2,921.36 MILLION ↑2%	INR 3,325.99 MILLION ↑7%
PROFIT AFTER TAX (PAT)	INR 521 MILLION ↑64%	INR 574.84 MILLION ↑99%
EBITDA	INR 871.03 MILLION ↑56%	INR 1,056.51 MILLION ↑53%
NET WORTH	INR 3,851.82 MILLION ↑14%	INR 3,677.89 MILLION ↑13%
RETURN ON EQUITY (ROE)	14% ↑47%	17% ↑79%
DIVIDEND PAYOUT RATIO	18%	
CSR SPENDING	INR 8.21 MILLION	



MESSAGE FROM THE CEO & MD

RAJIV GANDHI

DEAR ESTEEMED SHAREHOLDERS,

I am honoured to present the performance highlights of your Company for the financial year 2025-26.

This year has been one of disciplined execution, operational strengthening and strategic capacity building for Hester Biosciences. While parts of our business continued to face external challenges, particularly within the Animal Healthcare segment due to delays in government-led immunisation programmes, we remained focused on the areas within our control - strengthening our operational foundations, enhancing profitability, building manufacturing capabilities and advancing our scientific portfolio.

The theme of this Annual Report, “Building with Intent. Growing with Science” reflects the philosophy that guided our decisions during the year. Rather than pursuing growth at any cost, we focused on creating a stronger and more resilient organisation capable of delivering sustainable value over the long term.

The results of these efforts are visible in our improved profitability, strong performance in Poultry Healthcare, commercialisation of the H9N2 Avian Influenza vaccine, continued progress in international markets and the successful completion of key manufacturing infrastructure projects.

FINANCIAL PERFORMANCE

On a standalone basis, Hester India recorded revenue from operations of INR 2,921.36 million during FY26, representing a growth of 2% over the previous year. Despite modest revenue growth, profit after tax increased by 64% to INR 521.00 million. This improvement was driven by a favourable product mix, operational efficiencies, process standardisation initiatives and continued focus on cost discipline across the organisation.

On a consolidated basis, revenue from operations stood at INR 3,325.99 million, reflecting a growth of 7% over FY25. Consolidated profit after tax increased by 99% to INR 574.84 million. Improved profitability across business segments, stronger execution and disciplined management of resources contributed to this performance.

These results reaffirm our belief that sustainable growth must be supported by operational excellence and prudent financial management.

PERFORMANCE OF HESTER INDIA: DIVISION HIGHLIGHTS

Poultry Healthcare Division: Driving Growth Through Innovation and Market Reach

The Poultry Healthcare Division delivered an outstanding performance during FY26, recording growth of 24% over the previous year. Growth was supported by deeper market penetration, expanded placements, improved customer engagement and sustained demand for our vaccine portfolio.

A significant milestone during the year was the receipt of marketing and manufacturing licences for our H9N2 Avian Influenza vaccine. This achievement strengthens our biologicals portfolio and reinforces our position as one of India's leading poultry vaccine manufacturers. We believe the product offers significant opportunities within both domestic and export markets as awareness around disease preparedness and biosecurity continues to increase.

Beyond vaccination, our technical teams have developed integrated disease management solutions encompassing bird immunity, farm hygiene and biosecurity practices. This holistic approach reflects our commitment to helping customers improve productivity and disease control outcomes through science-led solutions.

We continue to invest in strengthening our poultry portfolio through product development, scientific engagement and customer-centric innovation.

Animal Healthcare and Petcare: Building Long-Term Resilience

The Animal Healthcare Division experienced a challenging year due to delays in government-led immunisation programmes, particularly under the PPR eradication and Lumpy Skin Disease control initiatives (for which we supply the Goat Pox vaccine). While these delays impacted revenue during the year, we remain confident in the long-term demand fundamentals supporting the livestock healthcare sector.

The experience reinforced the importance of portfolio diversification and balanced market participation across institutional, commercial and export segments. Our therapeutic, nutritional and preventive healthcare products continued to support customer engagement and maintain market presence across key geographies.

The Petcare segment continued its gradual expansion through deeper engagement with veterinarians, strengthening distribution networks and increasing

awareness of science-backed healthcare solutions. While still in an early stage of development, we remain optimistic about the long-term potential of this segment and its contribution to future growth.

Operational Efficiency: Strengthening Business Fundamentals

Operational excellence remained a key focus area during FY26. Across the organisation, we continued initiatives aimed at process standardisation, business hygiene, inventory optimisation, cost control and working capital management.

These efforts contributed to stronger margins and improved profitability despite revenue challenges in certain segments. We believe operational discipline is not a one-time exercise but a continuous journey that enhances resilience and prepares the organisation for future growth opportunities.

SUBSIDIARIES: STRENGTHENING OUR GLOBAL FOOTPRINT

Hester Nepal

Hester Nepal operated in a challenging environment during the year, influenced by the timing of institutional orders and local market conditions. While quarterly performance remained uneven, the business continues to maintain a strong market presence and serves both domestic and export demand.

We remain focused on strengthening operational stability, improving efficiencies and ensuring long-term sustainability of the business.

Hester Africa

Our Africa operations continued to make meaningful progress during FY26. We strengthened our market presence through registrations, market development activities and participation in initiatives aimed at improving livestock health across the continent.

Our continued involvement in the GALVmed-led VITAL 2 programme reflects our commitment towards improving vaccine awareness and access within Africa's livestock sector. We also expanded registrations across multiple markets and strengthened our engagement with government and institutional stakeholders.

Africa remains a strategically important geography for Hester. Growing livestock populations, increasing awareness regarding animal health and the critical role of livestock in food security create significant long-term opportunities for our business. We remain committed to building a sustainable and scalable presence across the continent.

Portfolio Rationalisation and Strategic Focus

During the year, we undertook a partial divestment of our stake in Texas Lifesciences as part of a broader capital allocation and strategic focus exercise. This decision reflects our commitment to directing resources towards areas where we believe Hester possesses stronger long-term competitive advantages and greater opportunities for value creation.

CAPACITY EXPANSION AND MANUFACTURING READINESS

FY26 marked an important milestone in our infrastructure development journey with the capitalisation of both our Fill-Finish facility and BSL-3 facility.

The Fill-Finish facility significantly enhances our manufacturing capabilities and provides additional flexibility to support future domestic and export growth.

The BSL-3 infrastructure further strengthens our capabilities in the development and production of specialised biological products.

These investments represent our commitment to building long-term manufacturing strength and supporting future portfolio expansion opportunities.

NAVIGATING CHALLENGES WITH DISCIPLINE

The year presented several external challenges including delays in government immunisation programmes, uneven market conditions across certain international geographies and inflationary pressures arising from global supply chain disruptions.

Despite these challenges, we remained focused on execution, cost discipline and operational efficiency. Our diversified product portfolio, strong customer relationships and prudent management approach enabled us to navigate these headwinds while continuing to invest in the future.

STRATEGIC PRIORITIES FOR FY27 AND BEYOND

Looking ahead, our strategic priorities remain clear:

1. Strengthening our biologicals portfolio across Poultry Healthcare and Animal Healthcare.
2. Expanding the commercialisation and market reach of our H9N2 Avian Influenza vaccine.
3. Increasing participation across commercial and export markets while reducing dependence on institutional business.

4. Advancing research and development initiatives across vaccines and animal health solutions.
5. Strengthening our international presence, particularly in Africa and other high-growth markets.
6. Continuing our focus on operational excellence, manufacturing efficiency and working capital discipline.

We believe these priorities will support sustainable growth while reinforcing Hester's position as a science-driven animal healthcare company.

COMMITMENT TO SUSTAINABILITY AND ONE HEALTH

Our commitment to sustainability remains integral to our business philosophy. Through our focus on preventive healthcare, vaccination and disease control, we contribute towards improved animal health, food security and community well-being.

We continue to support the principles of One Health, recognising the close relationship between animal health, human health and environmental sustainability. Through responsible manufacturing practices, scientific innovation and stakeholder partnerships, we aim to create lasting positive impact across the communities we serve.

FY26 has been a year of strengthening the foundations for future growth. The progress achieved during the year reflects the dedication of our employees, the confidence of our customers, the support of our business partners and the trust placed in us by our shareholders.

While the opportunities before us remain significant, we remain guided by the same principles that have shaped Hester's journey for nearly three decades - scientific excellence, operational discipline and an unwavering commitment to improving animal health.

Together, let us continue building a stronger future for veterinary healthcare through innovation, responsibility and purpose.

**WARM REGARDS,
RAJIV GANDHI
CEO & MD**

MESSAGE FROM THE EXECUTIVE DIRECTOR

PRIYA GANDHI



DEAR VALUED SHAREHOLDERS,

FY26 was a year of deliberate progress for Hester Biosciences. While the operating environment remained challenging in certain segments, we continued to focus on strengthening the capabilities, systems and scientific foundations that will support the Company's long-term growth.

At Hester, we believe that sustainable growth is built not only through products and financial performance, but also through continuous investment in people, capabilities, innovation and organisational excellence.

One of the most **significant milestones** during the year was the successful approval of our H9N2 Avian Influenza vaccine, including both marketing and manufacturing licences. Beyond its commercial importance, this achievement reflects years of scientific effort, regulatory engagement and organisational commitment. It reinforces our belief that innovation must ultimately translate into meaningful solutions that improve animal health outcomes and address evolving industry needs.

Innovation continues to remain central to Hester's long-term strategy. Along with our vaccine portfolio, we are actively working on complementary healthcare solutions, disease management approaches and future biological platforms that address emerging challenges in animal health. We remain committed to investing in research and development with a long-term perspective, recognising that meaningful scientific advancement requires patience, perseverance and sustained effort.

FY26 also marked an important phase in **strengthening our manufacturing and infrastructure capabilities**. The capitalisation of our Fill-Finish and BSL-3 facilities represents a significant step in enhancing our ability to support future product development, manufacturing scale-up and market expansion. These investments have been undertaken with a clear objective - to create capabilities that will support Hester's growth for years to come.

Beyond products and infrastructure, we also undertook several initiatives aimed at strengthening the leadership structure and organisational capability of the Company. As Hester continues to grow, we recognise that future success will depend not only on scientific excellence and product

innovation, but also on building an institution capable of scaling effectively. During the year, we focused on strengthening leadership across key functions and building the organisational depth required to support our long-term ambitions.

Our **international journey** also continued to evolve during the year. We expanded registrations across multiple markets, strengthened our market development efforts and continued to build the foundations required to scale our presence in international geographies. These efforts are part of our broader objective of creating a more diversified and globally relevant organisation while remaining focused on areas where we carry strong scientific and technical capabilities.

Many of the opportunities we are pursuing are inherently long-term in nature. Research and development, product registrations, manufacturing expansion and market development require time, commitment and consistency.

While their outcomes may not always be immediately visible, they are essential investments that shape the future of an organisation. We remain confident that the groundwork laid over the past several years is steadily strengthening Hester's ability to create sustainable value.

As we look ahead, I believe the opportunities before Hester are significant. The animal health industry is evolving rapidly, driven by increasing focus on food security, disease prevention and scientific advancement. While many of the initiatives we are pursuing require patience and long-term commitment, we remain confident in the direction we have chosen. **The foundations we continue to build today in science, manufacturing, leadership and organisational capability will define the Hester of tomorrow.**

I would like to express my sincere gratitude to our employees, customers, veterinarians, farmers, business partners, shareholders and all stakeholders who continue to place their trust in us. Your support inspires us to continue **building with intent, growing with science** and creating lasting value for the communities we serve.

**WARM REGARDS,
PRIYA GANDHI
EXECUTIVE DIRECTOR**



LOOKING AHEAD

STRATEGIC
INTENT AND
SCIENTIFIC
RIGOUR



Hester's primary objective is to institutionalise consistency across its key markets while cultivating a growth model resilient to cyclical industry shifts. Our focus remains on broadening our footprint across commercial and institutional channels, enhancing revenue quality through portfolio diversification and pursuing export opportunities where our product range offers distinct technical relevance and a competitive advantage.

The theme, "Building with Intent. Growing with Science", governs our capital allocation strategy. We are making disciplined investment choices, guided by scientific capability, product reliability and measurable customer outcomes.

Poultry Healthcare continues to be the foundation business. Alongside consolidating our leadership positions, the Company plans to introduce select new products and deepen engagement with customers. Efforts will also continue towards strengthening preparedness and technical support in avian disease management, facilitating deeper market penetration and reinforcing our long-term competitive standing.

In **Animal Healthcare**, performance is expected to stabilise as execution sharpens across segments. The Company's wider product basket will enable regular engagement with customers throughout the year, effectively mitigating historical dependence on seasonal demand patterns and ensuring a more consistent revenue profile.

In **Petcare**, the next phase will focus on deliberate and structured market development. Priorities include expanding veterinarian-led adoption across major urban centres, widening distribution reach and building consumer awareness through education and product performance.

Our **international business** will scale selectively, with a primary emphasis on profitability, partner capability and effective on-ground execution in priority markets.

Overall, the Company's objective for the year is to strengthen the balance of growth drivers, translate product capability into market share and deliver dependable performance across businesses and geographies for our stakeholders.

MISSION

+

VISION

+

VALUES

BETTER HEALTH
FOR HUMAN
BEINGS THROUGH
HEALTHIER
ANIMALS

BUILDING THE
FUTURE ON A
FOUNDATION
OF
EXCELLENCE

INTEGRITY
INNOVATION
TRUST
DISCIPLINE
PASSION

BUILT FOR RELIABILITY. DRIVEN BY SCIENCE.

01

OPERATIONAL SCALE: SCALING OUR MANUFACTURING FOOTPRINT

Manufacturing capability is the foundation of credibility at Hester. In a sector defined by biological complexity and regulatory scrutiny, continuity of supply is central to stakeholder trust. During FY26, the Company reinforced this foundation through targeted investments and operating discipline, translating these strategic priorities into tangible manufacturing scale.

This scale was realised through the transition of key infrastructure projects into active assets. The capitalisation of the fill-finish facility and the BSL-3 facility has strengthened our manufacturing capabilities and expanded our capacity to develop and produce specialised biological products, enabling us to meet growing domestic and export demand through

the optimal utilisation of these assets. In parallel, the repurposing of the BSL-3 facility for veterinary use strengthens capability in high-biosecurity vaccine segments, aligning with the strategic focus on specialised biologicals.

Operational execution extended to international stability and internal governance. The Tanzania facility maintained consistent operations, supporting supply to African markets, while domestic efforts focused on strengthening cross-functional coordination. By enhancing quality management systems and prioritising data integrity, these initiatives reduce execution risk and reinforce the Company's position as a dependable supplier in regulated markets.



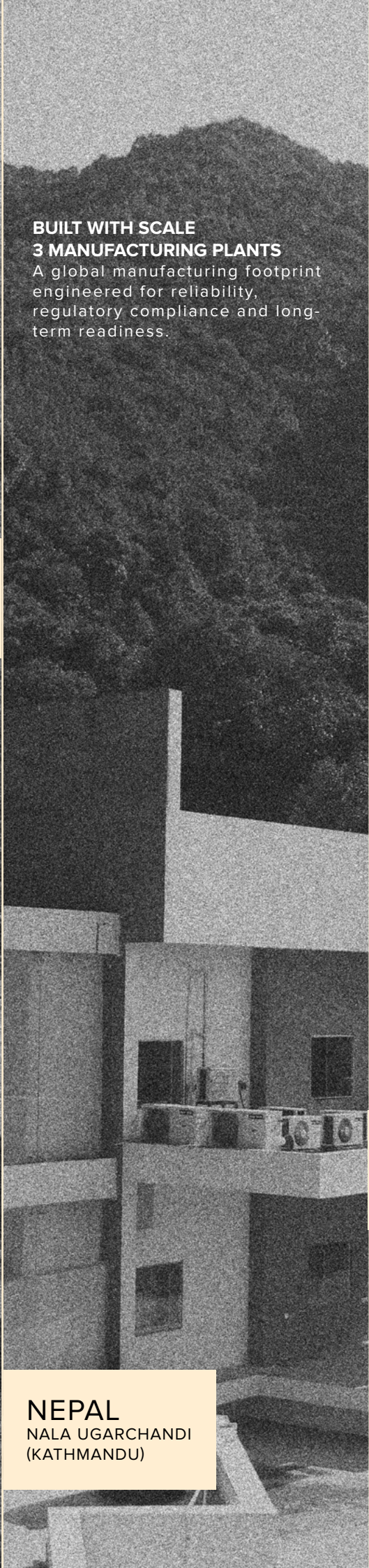
BUILT WITH SCALE
3 MANUFACTURING PLANTS

A global manufacturing footprint engineered for reliability, regulatory compliance and long-term readiness.

INDIA
KADI
(GUJARAT)



TANZANIA
KIBAHA
(DAR ES SALAAM)



NEPAL
NALA UGARCHANDI
(KATHMANDU)

**SCIENTIFIC EXCELLENCE:
ENGINEERED TO SCALE**

Scientific capability and disciplined execution continue to remain the definitive pillars of Hester's long-term competitive advantage. Throughout FY26, we strengthened our R&D capabilities through targeted infrastructure upgrades and advanced enabling technologies. These investments ensure that scientific breakthroughs are translated with precision into commercial outcomes.

Improvements in laboratory systems and documentation reinforced our adherence to GLP standards and ensured uncompromised data integrity across our product development pipeline. The integration of cutting-edge technologies accelerated development cycles and optimised process controls, facilitating a more predictable scale-up from laboratory to manufacturing. These upgrades are particularly relevant in biologicals, where process consistency and biosafety are critical determinants of success.

Precision dictates Hester's portfolio strategy. We prioritise programmes where regulatory standards, production scalability and market demand converge seamlessly. By embedding regulatory intelligence at the point of inception, we have refined a high-velocity path to commercialisation that bypasses standard industry bottlenecks.

This architecture ensures that our scientific breakthroughs transition into reliable, market-ready assets, fortifying our leadership while neutralising risk across the entire development-to-manufacturing lifecycle.



**STRENGTHENED
BY SCIENCE**

A science-led foundation supporting quality, credibility and sustained growth.

- Biological Focus
- Regulatory Discipline
- Continuous Portfolio Development



03

SCALING WITH DISCIPLINE: MARKETS AND GROWTH

FY26 propelled Hester on a resilience growth trajectory, navigating the inconsistent demand patterns and volatile disease cycles inherent to veterinary healthcare. We have configured our growth engine for strategic equilibrium, leveraging Hester's operational flexibility to master these shifting requirements. Through deliberate portfolio selection and surgical market participation, we have moved beyond mere business growth to deliver consistent, long-term value.

Hester is broadening its presence across commercial, private and export markets, participating selectively where margins and operational feasibility align. Alongside market expansion, we are engaging more closely with customers through solution-oriented offerings and improved product access – driving stronger adoption across the poultry and animal healthcare segments.

Science-led portfolio development stands as a primary differentiator for the company. Priority is given to programmes that leverage core competencies in quality, speed-to-market and specialised manufacturing - ensuring new launches drive sustainable growth while upholding operational discipline.

Investments in manufacturing infrastructure, quality systems and human capital are focused on enhancing consistency and export readiness, ensuring growth is driven by dependable execution. International expansion remains disciplined with selective prioritisation and an emphasis on profitability and operational progress in priority markets.

Overall, the Company's strategic direction is rooted in purposeful execution: strengthening capabilities, advancing science with discipline and delivering consistent performance that transcends market cycles.

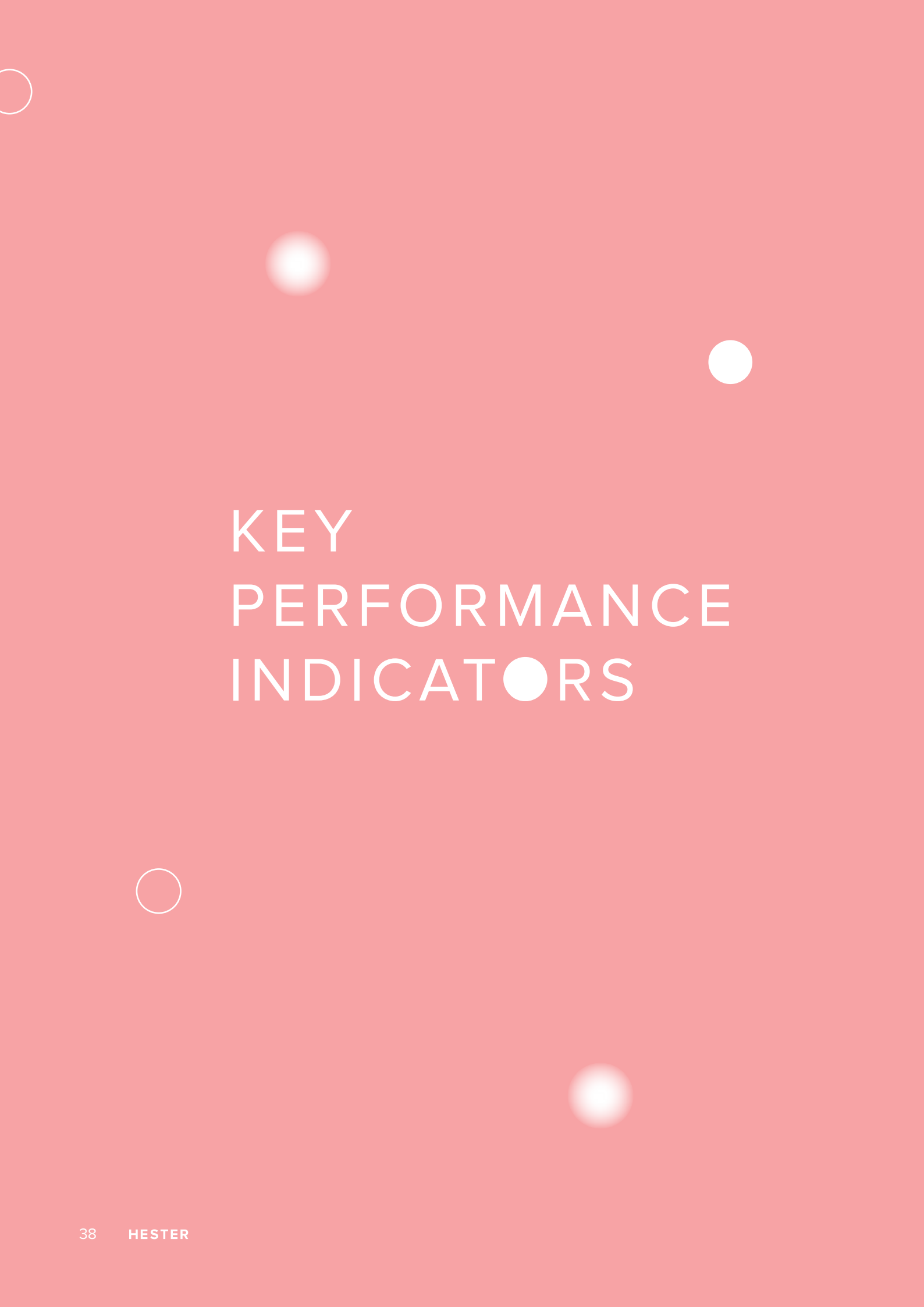


GROWING WITH REACH

A growing presence supported
by strong market partnerships.

35+
COUNTRIES SERVED

1,000+
DISTRIBUTORS



KEY PERFORMANCE INDICATORS



	FY22	FY23	FY24	FY25	FY26	
REVENUE FROM OPERATIONS (INR MILLION)						
STANDALONE	2,193.51	2,540.00	2,851.55	2,864.66	2,921.36	7% CAGR
CONSOLIDATED	2,350.06	2,660.91	3,045.46	3,111.02	3,325.99	9% CAGR
EBITDA (INR MILLION)						
STANDALONE	652.26	602.09	516.03	557.08	871.03	
CONSOLIDATED	741.47	701.69	689.02	690.76	1,056.51	
PROFIT AFTER TAX (INR MILLION)						
STANDALONE	395.17	323.42	271.59	318.42	521.00	
CONSOLIDATED	394.84	280.35	211.66	288.26	574.84	
NET WORTH (INR MILLION)						
STANDALONE	2,684.34	2,923.82	3,127.12	3,390.87	3,851.82	
CONSOLIDATED	2,673.94	2,885.46	3,028.75	3,266.56	3,677.89	
DEBT EQUITY RATIO (IN TIMES)						
STANDALONE	0.45	0.56	0.43	0.31	0.19	
CONSOLIDATED	0.86	0.96	0.82	0.66	0.52	
RETURN ON EQUITY						
STANDALONE	16%	12%	9%	10%	14%	
CONSOLIDATED	16%	10%	7%	10%	17%	
DIVIDEND PER SHARE (INR)						
STANDALONE	10	8	6	7	11	





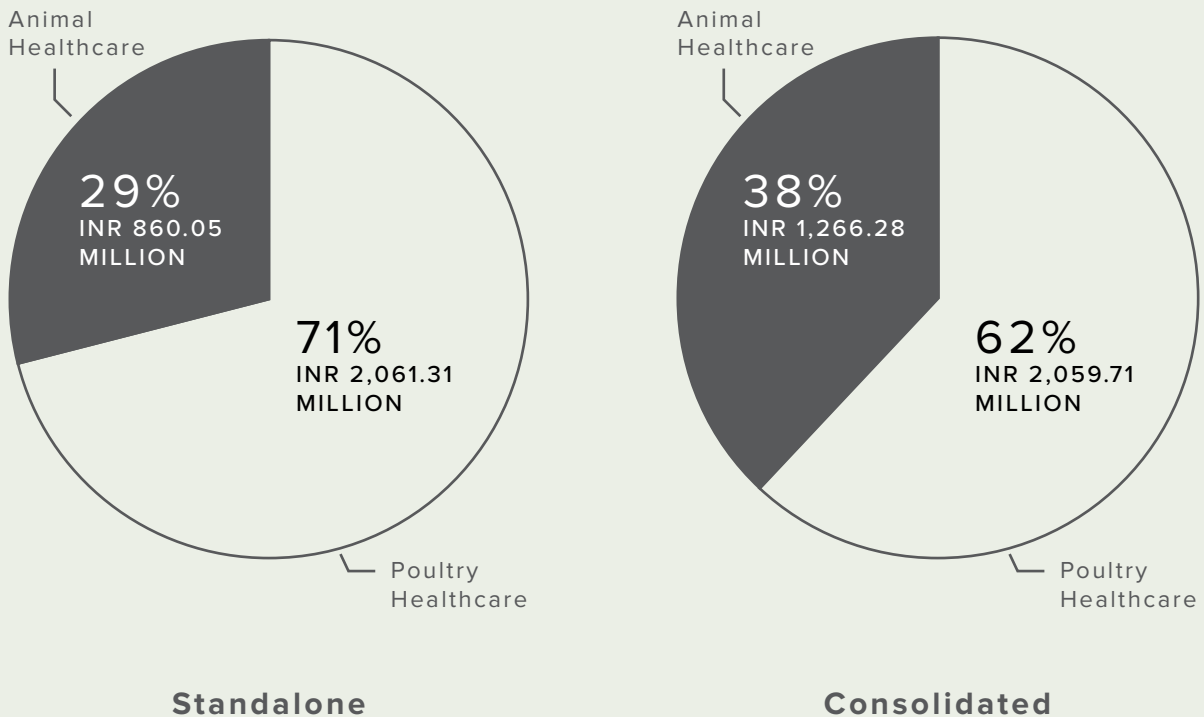
● ONE
PLATFORM.
MULTIPLE
SEGMENTS.
SHARED
SCIENCE.

Hester operates as an integrated animal-health platform, rather than separate verticals. Its two core segments - Poultry and Animal Healthcare, apply a targeted strategic framework: prioritising disease prevention and productivity in livestock, while delivering high-quality therapeutic and wellness solutions in Petcare. Veterinarians, producers, farmers and pet owners are at the heart of every solution developed and delivered.

The strength of this model comes from shared capabilities. By integrating R&D, manufacturing, quality systems and field operations across all segments, the Company translates scientific advancement into practical, on-ground solutions. In Poultry, this is seen in vaccination programmes and disease monitoring that enhance flock health and farm performance in terms of productivity. In the ruminant segment, vaccines and treatments focus on protecting herd health and thereby improving productivity and reducing losses for farmers. In Petcare, the portfolio is designed for better health outcomes, greater convenience for pet owners and improved safety for pets.

The company's product portfolio addresses a comprehensive range of animal health requirements, spanning essential vaccines for poultry and livestock, alongside specialised pharmaceuticals, feed supplements and therapeutic healthcare products. These are reinforced by the diagnostic capabilities of our Technical Services team, which caters to key parts of the market and a robust field presence, ensuring the precise application of products and the delivery of technical support at the point of need.

SEGMENT-WISE REVENUE





POULTRY
HEALTHCARE



India's extensive poultry population continues to play a pivotal role in supporting food security and livelihoods. With steady demand for affordable, safe animal protein, maintaining flock health remains essential for meeting consumption needs and sustaining farm incomes.

The Company's Poultry Healthcare division provides a comprehensive range of solutions including vaccines, health products and diagnostic services. The division is centred on building solutions with clear intent and a focus on field requirements, leveraging scientific capabilities to enhance flock health, productivity and long-term farm sustainability. Supported by targeted R&D, consistent quality standards and robust on-ground technical support, the Company works closely with farmers and channel partners to improve preparedness and reduce outbreak vulnerability.

VACCINES

The poultry vaccine portfolio is developed to protect against a wide range of infectious diseases, utilising established technology platforms such as Chick Embryo Origin, Continuous Cell Line, Tissue Culture and Fermentation. It consists of live and inactivated vaccine range that protects birds against a wide range of infectious diseases which impact overall health, production and performance, while reducing mortality and improving feed conversion economics.

With a comprehensive range of over 50 single and combination vaccines, the Company maintains a dominant presence in the poultry vaccine segment. The focus remains on delivering vaccines that are reliable under field conditions, reflecting an emphasis on scientific rigour and consistent performance - qualities that have fostered long-term relationships with poultry farmers and large-scale broiler integrators.

A significant milestone during the year was the receipt of marketing and manufacturing licences for the H9N2 (low pathogenic avian influenza) vaccine. This addition completes the avian influenza portfolio and strengthens readiness for markets where proactive disease management is becoming a priority.

HEALTHCARE PRODUCTS

Hester offers a wide range of health products aimed at supporting poultry health and improving farm productivity. The portfolio includes immune boosters, gut health enhancers, farm hygiene, vitamins, minerals and specialised feed supplements that address critical requirements such as disease prevention, growth and nutritional balance. These products are developed based

on field requirements and continuous feedback, combining practical insights with scientific inputs to deliver consistent results aligned with on-ground conditions.

DIAGNOSTIC SERVICES

Diagnostic services are integral to the Company's poultry healthcare approach. Through its laboratory network and veterinary experts, the Company provides disease diagnosis, sero-monitoring and assessment of the farm environment, water quality and feed quality. These services enable early detection and support farmers in implementing appropriate vaccination and management practices. The Company also engages with farmers through training programmes, farm visits and technical guidance, translating scientific knowledge into practical on-farm improvements and superior flock outcomes.

During the year, the Company launched a set of new products to strengthen its poultry health and hygiene portfolio:

Silvectant - a hydrogen peroxide and silver nitrate solution, was introduced for effective disinfection of poultry sheds, covering surfaces, air and water tanks.

Hestbac - a probiotic supplement, helps control pathogenic bacteria such as *E. coli* and *Salmonella* in poultry.

Hestflora - a combined probiotic and prebiotic formulation, supports gut health and performance.

AmmonoStop - a probiotic blend, addresses odour control and improves respiratory comfort in poultry farms.

The Company also introduced an **INACTIVATED H9N2 vaccine** for protection against low pathogenic avian influenza, strengthening its disease prevention offering.

VACCINES

Newcastle Disease
 Infectious Bronchitis
 Infectious Bursal
 Fowl Pox
 Marek's Disease
 Infectious Coryza
 Fowl Cholera
 Inclusion Body Hepatitis
 Fowl Typhoid (*Salmonella*)
 Avian Encephalomyelitis

HEALTH PRODUCTS

2XD3
 Decarnitox
 Xester BH
 Toxcinil Plus
 Effiboost
 Klorclean
 Kleanoxone



ANIMAL HEALTHCARE

LARGE AND SMALL RUMINANTS



The ruminant business continues to focus on improving the health, productivity and well-being of both large and small ruminants, forming an essential part of the Animal Health segment. It has contributed to vaccination programmes and health interventions that support rural livelihoods, animal welfare and food security.

The Company's approach in this segment is centred on developing solutions with clear on-ground intent while leveraging scientific capabilities to address evolving disease challenges. Through continued engagement with government programmes, institutional and international partners, the Company supports large-scale disease control and eradication efforts across India and select international markets.

Offerings for ruminants include vaccines, therapeutic products, nutritional health supplements and diagnostic services, aimed at strengthening overall herd health, improving productivity and supporting sustainable livestock farming.

VACCINES

A specialised vaccine range provides essential protection against high-impact diseases affecting cattle, buffalo, sheep and goats. Leading products include Peste des Petits Ruminants (PPR), Goat Pox, Lumpy Skin Disease (LSD), Brucella, Contagious Bovine Pleuropneumonia (CBPP) and Contagious Caprine Pleuropneumonia (CCPP).

Emphasis on quality, efficacy and field performance drives the development of these solutions. Supporting immunisation programmes through consistent supply and technical engagement further strengthens herd immunity, allowing farmers to manage disease risks more effectively.

Hester continues to prioritise preparedness and execution discipline for key ruminant vaccines. As programme timelines vary across states, maintaining supply readiness and consistent delivery capability ensures seamless support for immunisation initiatives.

HEALTHCARE PRODUCTS

Health products support both preventive and therapeutic animal health needs through a portfolio of biosecurity solutions, therapeutics, nutritional supplements and specialised formulations designed to improve animal wellness and productivity. The growth in our feed supplement range outpaced therapeutics, reflecting increasing

farmer focus on preventive nutrition and herd health management. These products provide greater stability in animal performance and farm operations while reducing dependence on seasonal procurement cycles and strengthening engagement across the dairy ecosystem. Product development is guided by field experience and scientific research to ensure practical, reliable and relevant solutions for farmers and veterinarians. All new treatment lines and technologies are developed in line with government antimicrobial resistance (AMR) guidelines, promoting the responsible and judicious use of therapeutics.

DIAGNOSTIC SERVICES

Advanced diagnostics are integral to effective animal health management. Through our laboratory network and technical expertise, we provide serological, molecular and microbiological testing services that enable early disease detection, informed decision-making and timely outbreak management. These capabilities complement our vaccine and animal healthcare portfolio by generating the scientific insights needed for preventive care, improved herd health and reduced economic losses. Supported by standardised field protocols, our diagnostic services help drive sustainable livestock practices and enhance productivity across the dairy and farming ecosystems.

During the year, the Animal Healthcare segment was expanded with the launch of key products:

ICEFT RTU - a ready-to-use ceftiofur formulation, introduced for effective management of uterine and bacterial infections.

Inomilk Gel - an oral calcium supplement, supports calcium balance during the transition period and helps manage milk fever.

Bovitone HQ₁₀ - launched to support uterine health and post-partum recovery.

The range was further strengthened with Uderwise for udder hygiene and health and Hestdrip CBG and Hestdrip CMB, intravenous calcium formulations for managing hypocalcaemia and related metabolic conditions.

VACCINES

PPR
Goat Pox
LSD (Lumpy Skin Disease)
CBPP
CCPP
Brucella
PPR GPV

HEALTH PRODUCTS

ProtinC
ProtinC Keto⁺
ReproPlus Gold
CuRx La
HIFCR
Amastic
Post M



ANIMAL HEALTHCARE

DOGS AND CATS



Changing lifestyles and a heightened focus on well-being continue to drive the growth of India's petcare sector. As pets increasingly become integral to households, expectations around nutrition, preventive care and clinical treatment continue to evolve.

Our approach to this segment is deliberate, focused on building a portfolio that supports everyday health requirements through science-led solutions and veterinary expertise. Our work in this space focuses on developing a balanced mix of petcare products and supplements that contribute to better health outcomes and improved quality of life for pets.

HEALTHCARE PRODUCTS

Hester's Petcare portfolio defines a cohesive health strategy for dogs and cats through a specialised range of formulations. The range integrates gut health solutions to improve digestion and nutrient absorption with NSAIDs and joint-care therapies that maintain mobility. Routine protection is ensured through parasiticides and anti-infectives, while nutritional supplements and grooming products support skin and coat health to provide a complete standard of care. Adherence to standardised field protocols further ensures that these field insights are translated into consistent and effective market execution.

HEALTH PRODUCTS

HestaCef CV
CefShot Tazo
Safelines Spot On
WormPeril
Synoton
TumOnzym
HestaLiv
VitaCoat
VitaCoat Advance
PetsGlow
PawFresh
HestaFlam

GLOBAL FOOTPRINT AND RESILIENCE

Hester's geographic footprint is structured to diversify the revenue base and build a balanced growth platform. The Company operates across India and international markets with subsidiaries in Nepal and Tanzania contributing to consolidated performance and long-term resilience.



03

SUBSIDIARIES

HESTER BIOSCIENCES NEPAL PRIVATE LIMITED (HBNPL)
HESTER BIOSCIENCES AFRICA LIMITED (HBAL)
HESTER BIOSCIENCES KENYA LIMITED (HBKL)

01

JOINT VENTURE

THRISHOOL EXIM LIMITED

GEOGRAPHY- WISE REVENUE

91%

INR 2,651.86 MILLION
DOMESTIC

9%

INR 269.50 MILLION
EXPORTS

● INDIA: CORE MARKET DEPTH

India remains the primary engine where manufacturing scale and technical engagement converge. Performance this year reinforced the strength of a balanced revenue model, maintaining a consistent momentum through deep portfolio integration across market cycles.

● NEPAL: INSTITUTIONAL MOMENTUM

Hester Nepal maintains a dominant market position, though performance remains influenced by institutional order timing. While logistics and field movement were temporarily impacted by disruptions in August 2025, operations have stabilised, with a focus on consistent execution as regional conditions normalise.

● TANZANIA: OPERATIONAL STRENGTH DRIVING SUSTAINABLE PROGRESS

Africa represents a critical growth frontier. With stabilised operations at the Tanzania plant, Hester is one of the few players on the continent with multi-technology vaccine capabilities. This technical advantage, combined with participation in the GALVmed-led VITAL programme, allows the Company to address complex disease profiles while securing rural livelihoods.

SUSTAINABLE GROWTH, SHARED PROSPERITY



THE FOUNDATION: TRUST AND RESPONSIBILITY.

At Hester, sustainability is integrated into the way the business is managed and scaled. As the Company expands its product portfolio and market presence, environmental stewardship, employee development and governance practices remain important elements of long-term operational resilience.

DRIVING EFFICIENCY THROUGH RESPONSIBLE OPERATIONS

For a science-led manufacturing organisation, sustainability begins with operational discipline. Hester continues to focus on improving resource efficiency through responsible management of energy, water and waste across its facilities. Investments in renewable energy, water recycling and process optimisation are not only environmental priorities but also measures that enhance operational resilience, improve efficiency and support long-term business continuity.

BUILDING CAPABILITY FOR SUSTAINABLE GROWTH

The Company's ability to innovate, manufacture and serve customers consistently depends on the strength of its people. Hester therefore places significant emphasis on capability development through structured learning, technical training and performance management. By fostering a culture of accountability and continuous improvement, the Company is strengthening the organisational capabilities required to support future growth.

THE 'ONE HEALTH' IMPACT

Hester operates on the principle that animal health is directly linked to human well-being. By providing solutions for livestock disease, the Company helps protect food security and secures the livelihoods of farmers. This work creates a vital buffer, helping stop zoonotic threats at the source and supporting broader public health.

GOVERNANCE EXCELLENCE AND STAKEHOLDER TRUST

Strong governance, transparency and accountability remain central to Hester's growth journey and its strategic and operational decision-making. The Company continues to strengthen its systems, processes and oversight mechanisms to ensure that business decisions are guided by integrity, transparency and accountability. A continued focus on compliance, quality management, stakeholder engagement and responsible supply chain practices enables Hester to navigate a dynamic operating environment while maintaining the trust of customers, regulators, partners and shareholders.

As the business evolves, Hester remains focused on integrating sustainability considerations into strategic decision-making. The Company believes that responsible operations, capable people and sound governance will continue to be important drivers of competitiveness, resilience and sustainable growth in the years ahead.



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STATUTORY
REPORTS





Your Directors are pleased to present the Thirty-Ninth Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31 March 2026.

FINANCIAL RESULTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015.

A summary of the standalone and consolidated financial performance of the Company for the financial year ended 31 March 2026 is given below:

Particulars	(Amounts in INR million)			
	Standalone		Consolidated	
	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue from operations	2,921.36	2,864.66	3,325.99	3,111.02
Other income	76.35	47.64	96.84	39.24
Total Revenue	2,997.71	2,912.30	3,422.83	3,150.26
Profit before interest, depreciation, amortisation expenses and tax (PBIDT)	801.07	557.08	963.42	649.76
Less: Finance Cost	71.69	53.67	109.34	127.03
Less: Depreciation and Amortisation Expenses	102.52	85.81	188.81	168.02
Profit before Share of Profit in Joint Venture entity, exceptional items and tax	626.86	417.60	665.27	354.71
Share of Profit in Joint Venture entity	-	-	63.73	41.00
Profit before exceptional items and tax	626.86	417.60	729.00	395.71
Add: Exceptional Items	69.96	-	29.36	-
Less: Tax Expenses	175.82	99.18	183.52	107.45
Profit for the year (PAT)	521.00	318.42	574.84	288.26
Attributable to:				
Owners	521.00	318.42	556.39	274.88
Non-Controlling Interest	-	-	18.45	13.38
Other Comprehensive Income /(Loss)	(0.50)	(3.63)	(23.28)	0.59
Attributable to:				
Owners	(0.50)	(3.63)	(23.35)	0.78
Non-Controlling Interest	-	-	(0.07)	(0.19)
Total Comprehensive Income	520.50	314.79	551.56	288.85
Attributable to:				
Owners	520.50	314.79	533.04	275.66
Non-Controlling Interest	-	-	18.52	13.19
Earnings Per Share (Basic & Diluted) (Face Value of Share INR 10 each) (INR)	61.24	37.43	67.57	33.89

There have been no significant changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

RESULTS OF OPERATIONS

Sales

During the year under review, the standalone revenue from operations was INR 2,921.36 million, as compared to INR 2,864.66 million in the previous year. The consolidated revenue from operations was INR 3,325.99 million for the financial year ended 31 March 2026, as compared to INR 3,111.02 million in the previous year.

Profitability

The Company reported standalone profit before tax of INR 696.82 million, as compared to INR 417.60 million in the previous year. The consolidated profit before tax was INR 758.36 million for the financial year ended 31 March 2026, as compared to INR 395.71 million in the previous year.

Earnings per share

The Earnings Per Share (EPS) on a standalone basis was INR 61.24 for the year ended 31 March 2026, as against INR 37.43 for the year ended 31 March 2025. The EPS on a consolidated basis was INR 67.57 for the year ended 31 March 2026, as against INR 33.89 for the year ended 31 March 2025.

Transfer to Reserves

The Board of Directors has decided not to transfer any amount to the reserves for the year under review.

Share Capital

The authorised equity share capital as on 31 March 2026 is INR 112 million and the paid-up equity share capital as on 31 March 2026 stood at INR 85.07 million.

Net Worth

The Company's net worth on a standalone basis as on 31 March 2026 was INR 3,851.82 million, as compared to INR 3,390.87 million as on 31 March 2025. The Company's net worth on a consolidated basis as on 31 March 2026 was INR 3,602.35 million, as compared to INR 3,142.55 million as on 31 March 2025.

DIVIDEND

Your Directors have recommended a dividend of INR 11 per equity share (110 %) on 8,506,865 equity shares of

INR 10 each, fully paid-up, for the financial year 2025-26, total amounting to INR 93.58 million. This dividend is subject to the approval of the Members at the ensuing Annual General Meeting ("AGM") and will be disbursed to those shareholders whose names appear in the Register of Members as on the cut-off date.

The dividend pay-out ratio for the year stands at 18% of standalone profits, in line with the Company's Dividend Distribution Policy. Further details of the policy, formulated in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are available on the Company's website at <https://www.hester.in/corporate-governance>

BORROWINGS

The Company's outstanding long-term borrowings on a standalone basis stood at INR 504.99 million as on 31 March 2026, as compared to INR 756.26 million as on 31 March 2025.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

DIVESTMENT OF SUBSIDIARY

During the year under review, the Company sold/transferred 43.81% of its shareholding in Texas Lifesciences Private Limited, reducing its holding from 54.81% to 11%, pursuant to approval of the Board of Directors at its meeting held on 11 March 2026. The transaction was carried out in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the necessary disclosures were made to the stock exchanges. Consequently, Texas Lifesciences Private Limited ceased to be a subsidiary of the Company with effect from 27 March 2026. The Company continues to hold 11% in the said entity as an investment.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated total income from operations is INR 3,325.99 million and the total comprehensive income attributable to owners' equity after non-controlling interest is INR 533.04 million for the financial year 2025-26, as compared to consolidated total income from operations of INR 3,111.02 million and total comprehensive income attributable to owners' equity after non-controlling interest of INR 275.66 million for the previous financial year 2024-25. The consolidated financial statements include the financial statements of the following entities:

1. Hester Biosciences Nepal Private Limited Foreign Subsidiary
2. Hester Biosciences Africa Limited Foreign Wholly-owned Subsidiary
3. Hester Biosciences Kenya Limited Foreign Wholly-owned Subsidiary
4. Hester Biosciences Tanzania Limited Foreign Step-down Subsidiary (Wholly-owned Subsidiary of Hester Biosciences Kenya Limited)
5. Thrishool Exim Limited Foreign Joint Venture Entity

In compliance with Ind AS 110, the Companies Act, 2013, Schedule III and the related Rules and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report includes the Audited Consolidated Financial Statements. These statements present the combined financial position, including resources, assets, liabilities, income, profits and other details, of the Company, its subsidiaries, after elimination of non-controlling interest and joint venture entities as a single entity.

SUBSIDIARY COMPANIES

As of 31 March 2026, your Company has two wholly-owned subsidiary companies, namely Hester Biosciences Africa Limited and Hester Biosciences Kenya Limited. In addition, the Company has one subsidiary, Hester Biosciences Nepal Private Limited. Furthermore, there is one step-down subsidiary company, Hester Biosciences Tanzania Limited, which is wholly-owned by Hester Biosciences Kenya Limited.

During the year under review, Texas Lifesciences Private Limited ceased to be a subsidiary of the Company by way of sale/ transfer of shares.

The business details of the subsidiary companies are as follows:

Hester Biosciences Nepal Private Limited (HBNPL)

HBNPL is a subsidiary of Hester Biosciences Limited, with a 65% stake in HBNPL. HBNPL is in the business of manufacturing veterinary vaccines in Nepal.

Hester Biosciences Africa Limited (HBAL)

HBAL is a wholly owned subsidiary of Hester Biosciences Limited in Tanzania. HBAL manufactures and markets veterinary vaccines in Tanzania and other African countries.

Hester Biosciences Kenya Limited (HBKL)

HBKL is a wholly owned subsidiary of Hester Biosciences Limited in Kenya. HBKL is in the business of trading of veterinary vaccines and animal health products in Kenya.

Hester Biosciences Tanzania Limited (HBTL)

HBTL is a wholly owned subsidiary of HBKL in Tanzania and step-down subsidiary of Hester Biosciences Limited. HBTL is in the business of trading veterinary vaccines and animal health products in Tanzania and other African countries.

There have been no material changes in the nature of the subsidiaries' business operations, as detailed in the financial statements. During the year under review, the Board diligently assessed the performance and operations of these subsidiary companies.

In compliance with Section 136 of the Act, the Balance Sheets, Profit and Loss Statements and other

relevant documents of the subsidiary companies are not attached with the Company's Balance Sheet. These statements are available to Members on the Company's website. The consolidated financial statements include the financial statements of the subsidiaries and joint venture entity. The highlights are given in this Board Report as Annexure 1, in the format prescribed under Form AOC-1.

In accordance with Section 129(3) of the Companies Act, 2013 and the related Rules, the Company has provided a statement outlining the significant aspects of the financial statements of its subsidiaries. The policy on material subsidiaries, as approved by the Board, is available on the Company's website at <https://www.hester.in/corporate-governance>

JOINT VENTURE ENTITY

Thrishool Exim Limited (TEL) is a joint venture entity operating in Tanzania, with Hester Biosciences Limited holding a 50% stake. TEL is a reputable supplier and distributor of a wide range of animal health and nutrition products sourced from various esteemed companies. Its diverse product range includes veterinary feed additives, feed raw materials, nutritional supplements, therapeutics and equipment sourced from internationally renowned producers. TEL has a large sourcing network, collaborating with prominent partners throughout Europe, Asia and Southern Africa.

INSURANCE

The Company has taken appropriate insurance coverage for its plants, properties, equipment, stocks and vehicles to safeguard against major risks. In addition, the Company has obtained a Directors and Officers Liability Policy to cover potential liabilities of the Company's directors and officers.

PUBLIC DEPOSITS

During the year under review, the Company did not accept any deposits from shareholders or the public within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditor, Cost Auditor nor the Secretarial Auditor reported any instance of fraud committed against the Company by its officers or employees, as specified under Section 143(12) of the Companies Act, 2013, which would require disclosure in this Report.

RELATED PARTY TRANSACTIONS

All related party transactions during the financial year were carried out in compliance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's Policy on Related Party Transactions.

These transactions were reviewed and approved by the Audit Committee and the Board of Directors and where required, by the shareholders.

Details of material contracts and arrangements with related parties, in accordance with the Company's Related Party Transactions Policy and Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are annexed to this Report as Annexure 2. The disclosures relating to related party transactions for the financial year 2025-26 are also provided in the Notes to the Financial Statements.

The Policy on Related Party Transactions, including the policy for determining material transactions, is available on the Company's website at <https://www.hester.in/corporate-governance>

In compliance with Regulation 23(9) of the Listing Regulations, the Company filed the required related party transaction disclosures with the stock exchanges along with the financial results.

COST ACCOUNTS AND RECORDS

The Company has maintained its cost accounts and records in accordance with the regulations prescribed by the Central Government under Section 148(1) of the Act and the rules made thereunder.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31 March 2026, the Company's Board comprised ten Directors, excluding the Alternate Director, each bringing significant experience and expertise in their respective fields. Other statutory disclosures relating to the Board and its functioning are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

Appointment and Cessation of Directors

There were no changes in the composition of the Board of Directors during the financial year under review. Subsequently, Mr. Ravin Gandhi, Director of the Company has resigned with effect from 12 May 2026 and Ms. Nina Gandhi, Alternate Director to Mr. Ravin Gandhi ceased to be the alternate director with effect from 12 May 2026.

Retirement by Rotation

In accordance with Section 152(6) of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, Mr. Sanjiv Gandhi (DIN: 00024548), Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for approval of the shareholders.

Declaration of Independence

Pursuant to Sections 149(6) and 149(7) of the Companies Act, 2013 and Regulations 16(1)(b) and 25 of the Listing Regulations, the Company has received declarations from all Independent Directors confirming that they meet the criteria of independence and are eligible to continue as Independent Directors of the Company. The Board has taken the declarations on record after assessing their veracity and has noted that there has been no change in the circumstances affecting their status.

Profile of Directors seeking Appointment/ Reappointment

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of Secretarial Standard on General Meetings (SS-2), the brief profile and other relevant details of the Director seeking appointment or re-appointment at the ensuing Thirty-Ninth Annual General Meeting are provided in the Notice convening the said meeting.

Key Managerial Personnel

During the year under review, Mr. Divyesh Maru resigned from the position of Chief Financial Officer with effect from 13 November 2025. Based on the recommendations of the Nomination and Remuneration Committee and the Audit Committee, Mr. Ashish Desai was appointed as Chief Financial Officer with effect from 20 November 2025.

Additionally, Mr. Rajiv Gandhi was re-appointed as CEO and Managing Director of the Company with effect from 1 April 2026 for a further period of 3 years, as approved by members of the Company through the Postal Ballot Process.

The following persons are designated as Key Managerial Personnel (KMP) as on 31 March 2026:

1. Mr. Rajiv Gandhi, CEO & Managing Director
2. Ms. Priya Gandhi, Executive Director
3. Mr. Ashish Desai, Chief Financial Officer
4. Mr. Vinod Mali, Company Secretary & Compliance Officer

Board Evaluation

In accordance with the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out an annual performance evaluation of its own performance, its Committees and individual Directors, including the Chairman and Independent Directors. The process was conducted through structured questionnaires and in line with the Guidance Note on Board Evaluation issued by SEBI.

A separate meeting of the Independent Directors was held to review the performance of the Non-Independent Directors, the Board as a whole and the

Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

Based on the feedback received and the assessments carried out, the overall performance of the Board, its Committees and individual Directors was rated between Very Good and Good on different parameters. Further details of the evaluation process are provided in the Corporate Governance Report forming part of this Annual Report.

Nomination and Remuneration Policy

The Company has in place a Nomination and Remuneration Policy formulated by the Nomination and Remuneration Committee and approved by the Board. The Policy sets out the framework for selection, appointment and remuneration of Directors and Senior Management Personnel. During the year, the Policy was amended to align with recent changes in the Listing Regulations. The detailed Remuneration Policy is available in the Corporate Governance Report, which forms part of this Annual Report.

Pecuniary Relationship

During the year under review, except as disclosed in the audited financial statements, the Non-Executive Directors did not have any pecuniary relationship or transaction with the Company.

Board of Directors Meetings

During the financial year 2025–26, the Board of Directors met five times. The Company complied with the statutory requirement that the interval between two consecutive meetings shall not exceed 120 days. The details of the meetings held are provided in the Corporate Governance Report, which forms part of this Annual Report.

Non-disqualification

None of the Directors of the Company is disqualified from being appointed or continuing as a Director under Section 164(1) and 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, none of the Directors has been debarred or disqualified by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA) or any other statutory authority.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors state that:

- a) That in preparation of Financial Statements for the year ended 31 March 2026, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the Financial Statements for the year ended 31 March 2026 on going concern basis;
- e) The Directors had laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

COMMITTEES OF BOARD OF DIRECTORS

The Company has constituted several Committees as part of its commitment to sound corporate governance and in compliance with applicable statutory requirements. These Committees play an important role in supporting the Board in its oversight responsibilities and in enabling effective decision-making.

The Company has the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Grievances and Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Management Committee

A detailed overview of each Committee, including its composition, terms of reference, powers and the number of meetings held during the year, is provided in the Corporate Governance Report forming part of this Annual Report.

RECOMMENDATION OF COMMITTEES

The Board of Directors confirms that it has accepted all recommendations made by the Committees during the year under review.

CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

Pursuant to Section 135 of the Act read with the relevant rules, the Board has constituted a Corporate Social Responsibility (“CSR”) Committee under the chairmanship of Mr. Rajiv Gandhi. The details of the composition of the Committee and the meetings held are provided in the Corporate Governance Report, forming part of this Report. The CSR Policy, as approved by the Board on the recommendation of the CSR Committee, is available on the Company’s website at

<https://www.hester.in/corporate-governance>

During the year, the Company spent INR 8.21 million on CSR activities. The disclosures relating to CSR activities, as required under the Companies (CSR Policy) Rules, 2014, are annexed to this Board’s Report as Annexure 3.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has instituted a robust vigil mechanism to uphold ethical conduct, professionalism and integrity across all levels.

In compliance with Section 177(9) of the Act and the rules made thereunder, and Regulation 22 of the Listing Regulations, the Company has established a vigil mechanism and framed a Whistle Blower Policy for Directors and employees to report concerns relating to unethical behaviour, actual or suspected fraud, or violation of the Company’s Code of Conduct and the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Whistle Blower Policy is hosted on the Company’s website and the relevant link is provided in the Corporate Governance Report. No employee or Director was denied access to the Audit Committee during the year under review.

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

The Company has zero tolerance towards any form of sexual harassment and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the applicable rules.

The Company continues to strive to provide an environment for its employees and external persons engaged with the Company that is free from discrimination and harassment, including sexual

harassment. The Company’s policy sets out the guidelines for prevention, reporting and redressal of sexual harassment. During the financial year 2025-26, the Company received no complaints related to sexual harassment at any of its locations.

INSIDER TRADING REGULATIONS

The Company has adopted the Code for Insider Trading as per the SEBI (Prohibition of Insider Trading) Regulations, 2015. All other details on insider trading regulations are mentioned into the Corporate Governance Report, which forms a part of this Annual Report.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and Regulations 17 to 27 and 46 of the SEBI (LODR) Regulations, 2015, as amended from time to time. A separate section containing the detailed Corporate Governance Report, along with a certificate from a Practising Company Secretary confirming compliance, forms part of this Annual Report. The Board supports the basic principles of corporate governance and places strong emphasis on transparency, accountability and integrity.

SECRETARIAL STANDARDS

Secretarial Standards for Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) are applicable to the Company. The Company has complied with the provisions of all applicable Secretarial Standards.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (‘BRSR’)

Pursuant to Regulation 34 and Schedule V of the Listing Regulations, as well as the frequently asked questions issued by the stock exchanges (BSE and NSE), the Business Responsibility and Sustainability Report (“BRSR”) of the Company for the financial year ended 31 March 2026 has been uploaded on the Company’s website and can be accessed at <https://www.hester.in/shareholders/reports-certificates>

The report covers the Company’s initiatives from an environmental, social and governance perspective.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is set out in a separate section of this Annual Report and forms part of this Report. The Audit Committee has reviewed the Management Discussion and Analysis relating to financial conditions and results of operations during the year under review.

AUDITORS

Statutory Auditor and Audit Report

Chandulal M. Shah & Co. (Firm Registration No. 101698W), Chartered Accountants, Ahmedabad, was appointed as the Statutory Auditors of the Company till the conclusion of the Forty First Annual General Meeting. Chandulal M. Shah & Co. has furnished a declaration confirming its independence, arm's length relationship with the Company and that it has not undertaken any prohibited non-audit assignments for the Company.

The Board has reviewed the Statutory Auditors' Report of Chandulal M. Shah & Co. for the year ended 31 March 2026. The notes to the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Internal Auditor and Audit Report

Ernst & Young LLP, Ahmedabad, has been the Internal Auditor of the Company for FY 2025-26. The Internal Auditor is appointed by the Board on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor reports its findings to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee and the Management from time to time.

The Board has re-appointed Ernst & Young LLP, Ahmedabad for FY 2026-27 as Internal Auditor of the Company, after obtaining its willingness and eligibility letter.

Cost Auditor

Pursuant to the provisions of Section 148 read with the Companies (Audit & Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the Board of Directors, on the recommendation of the Audit Committee, re-appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor of the Company for the financial year 2025-26, on the remuneration terms approved by the Members at the previous AGM. The Cost Audit Report for FY 2024-25 was filed within the prescribed time. The due date for submission of the Cost Audit Report for FY 2025-26 is within 180 days from 31 March 2026.

The Board has re-appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad for FY 2026-27 as Cost Auditor to audit the cost records of the Company on a remuneration up to INR 0.25 million plus applicable Goods and Services Tax and out-of-pocket expenses at actuals. As required under the Act and the Rules made thereunder, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for ratification.

Accordingly, a resolution seeking ratification of the remuneration payable to Kiran J. Mehta & Co. has been included in the Notice convening the 39th Annual General Meeting of the Company.

Secretarial Auditor and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, Shah and Shah Associates, a Peer Reviewed Practicing Company Secretaries Firm, has been appointed as the Secretarial Auditor of the Company for a term of five consecutive years, from FY 2025-26 to FY 2029-30, at the 38th Annual General Meeting of the Company.

The Secretarial Audit Report for the financial year 2025-26 is attached to this Board's Report as Annexure 4. The Board has reviewed the Secretarial Auditor's Report for the year ended 31 March 2026 and confirms that the report does not contain any qualification, reservation, adverse remark or disclaimer.

Annual Secretarial Compliance Report

In compliance with Regulation 24A(2) of the Listing Regulations, Mr. Tapan Shah, Practicing Company Secretary, issued the Annual Secretarial Compliance Report for the financial year 2025-26. The report, placed before the Board at its meeting held on 15 May 2026, confirmed that the Company had maintained proper records as required under the applicable rules and regulations and that no action had been taken against the Company or its material subsidiaries or promoters/directors by SEBI, BSE or NSE. The Company submitted the report to the stock exchanges within the prescribed time.

CREDIT RATINGS

During the year under review, CARE Ratings Limited reviewed the credit ratings of the Company. The rating for the Company's long-term bank facilities stands at "CARE BBB/Stable" revised from "CARE BBB+/Stable", and the rating for its short-term bank facilities stands at "CARE A3+" revised from "CARE A2". The ratings indicate an adequate degree of safety with respect to timely servicing of financial obligations.

CERTIFICATIONS/ RECOGNITION/ ACCREDITATIONS

The Company has the following Certifications/ Recognition/ Accreditations:

1. WHO - GMP
2. GLP (Good Laboratory Practices)
3. ISO 9001:2015
4. ISO 14001:2015
5. ISO 45001:2018
6. DSIR approved R&D Centre

BUSINESS RISK MANAGEMENT

The Company has a comprehensive risk management framework addressing business, operational, financial, sectoral, market, regulatory and compliance, sustainability, human resources, information and cyber security and strategic risks. These risks are systematically assessed, measured and mitigated through ongoing actions within the risk appetite approved by the Board of Directors. The risk management framework is periodically reviewed by the Board and the Audit Committee. An overview of the key risks and concerns is provided in the Management Discussion and Analysis Report, which forms part of this Annual Report.

In accordance with Section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of the Listing Regulations, the Company has constituted a Risk Management Committee. The details of the Committee, along with its terms of reference, are set out in the Corporate Governance Report, which also forms part of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this Board's Report, except as disclosed elsewhere in this Report.

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

During the year under review, no regulator, court or tribunal passed any significant or material order affecting the going concern status of the Company or its future operations.

COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961

During the year under review, the Company complied with the Maternity Benefit Act, 1961 and extended all statutory benefits to eligible women employees. The Company remains committed to fostering an inclusive and supportive workplace that safeguards the rights and well-being of women employees in accordance with applicable law.

DISCLOSURE UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, no application or proceeding has been initiated against the Company under the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal.

DISCLOSURE RELATING TO VALUATION AND ONE-TIME SETTLEMENT

In accordance with Rule 8(5)(x) of the Companies (Accounts) Rules, 2014, there was no instance of a one-time settlement with any bank or financial institution during the year under review. Accordingly, disclosure of any difference between the valuation done at the time of taking a loan and at the time of one-time settlement does not arise.

PROHIBITION OF BENAMI PROPERTY TRANSACTIONS ACT, 1988

During the year under review, no proceedings were initiated or remained pending against the Company under the Prohibition of Benami Property Transactions Act, 1988, as amended, and the rules made thereunder.

TRANSACTIONS WITH COMPANIES STRUCK OFF

During the year under review, the Company did not enter into any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

FILING OF ANNUAL RETURN AND FINANCIAL STATEMENTS

The Company has duly filed its Annual Return and Financial Statements (Balance Sheet and related documents) for the financial year ended 31 March 2025 with the Registrar of Companies, Gujarat, in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.

APPOINTMENT OF DESIGNATED PERSON

Pursuant to Rule 9 of the Appointment of Designated Person (Management and Administration) Rules, 2014, the Company has appointed Mr. Rajiv Gandhi, CEO & Managing Director, as the designated person to oversee compliance with statutory obligations.

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has established a formal framework for Internal Financial Control ("IFC") in compliance with the requirements of the Companies Act, 2013. Specific responsibilities relating to IFC have been defined for the Board, Audit Committee, Independent Directors and Statutory Auditors.

Accordingly, the Company has a well-established, proper and adequate IFC system, which ensures:

1. the orderly and efficient conduct of business;
2. safeguarding of assets;
3. prevention and detection of frauds and errors;
4. accuracy and completeness of accounting records; and
5. timely preparation of reliable financial information.

The Audit Committee and the Board regularly review the effectiveness of the controls documented within the IFC framework and take corrective and preventive actions as required when weaknesses are identified. This review covers entity-level controls, process-level controls, fraud-risk controls and the information technology environment.

Based on this evaluation, no significant events were identified during the year that materially affected, or are reasonably likely to materially affect, the Company's IFC. Management concludes that IFC and financial reporting were effective and adequate in line with the Company's operations. The Statutory Auditors have audited the adequacy and operating effectiveness of the internal financial controls over financial reporting and their Audit Report is annexed as Annexure B and Annexure A to the Independent Auditors' Report in the Standalone and Consolidated Financial Statements, respectively.

TRANSFER OF SHARES AND DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) ACCOUNT

During the year under review, in compliance with Sections 124 and 125 of the Act and the rules made thereunder, the Company transferred 5,449 equity shares of 31 members whose dividend had remained unclaimed or unpaid for a consecutive period of seven years to the IEPF.

Further, INR 0.90 million being unclaimed dividend pertaining to the final dividend for financial year 2017-18 and the first and second interim dividends for financial year 2018-19 was transferred to the IEPF after giving notice to the concerned Members to claim their unpaid/unclaimed dividend.

ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for the financial year ended 31 March 2026 in Form MGT-7 has been uploaded on the Company's website and can be accessed at www.hester.in

PARTICULARS OF EMPLOYEES

In terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014, the required disclosures relating to remuneration and other details are provided in Annexure 5 to this Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided in Annexure 6 and forms part of this Report.

GENERAL DISCLOSURES

Your Directors confirm that the Company has made the required disclosures in this Report for the items prescribed under Section 134(3) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, to the extent applicable during the year.

Apart from the matters mentioned in this Report, there are no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

ACKNOWLEDGEMENT

The Directors express their sincere appreciation for the continued support and cooperation extended to the Company by the Bank. They also thank the medical professionals, traders and consumers for their continued patronage of the Company's products.

The Directors place on record their appreciation for the dedicated efforts and hard work of employees at all levels, which have played an important role in the Company's success.

The Directors also thank the Company's vendors, investors, business associates, stock exchanges, the Government of India, State Governments and various departments and agencies for their continued support and cooperation.

Your Directors deeply appreciate the commitment, dedication and contribution of every member of the Hester Biosciences family. Their collective efforts continue to support the Company's growth and success.

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 15 May 2026
Place Kadi, Mehsana

ANNEXURE-1

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATES/JOINT VENTURES

(Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)

PART "A" - SUBSIDIARIES

(Amount in INR million)

Name of Subsidiaries	Hester Biosciences Nepal Private Limited	Hester Biosciences Africa Limited	Hester Biosciences Kenya Limited	Hester Biosciences Tanzania Limited
The date since when subsidiary was acquired	11 March 2016	6 June 2017	27 June 2018	27 June 2018
Reporting period ended	31 March 2026	31 March 2026	31 March 2026	31 March 2026
Reporting currency	NPR	TZS	KSH	TZS
Exchange rate as on the last date of financial year	0.625	0.037	0.7299	0.037
Average exchange rate	0.625	0.035	0.6960	0.035
Equity Share capital	167.63	294.00	10.06	40.44
Other Equity	48.20	(529.42)	66.75	(5.28)
Total Assets	337.15	1,281.77	78.18	178.29
Total Liabilities	121.33	1,517.17	0.44	151.58
Investments	-	-	31.98	-
Turnover	116.84	304.64	-	71.87
Profit before Taxation	35.16	(25.35)	(0.05)	5.92
Provision for Taxation	0.56	-	-	0.88
Profit after Taxation	34.60	(25.35)	(0.05)	5.05
% of Shareholding	65%	100%	100%	100%*

*Hester Biosciences Tanzania Limited is wholly-owned subsidiary of Hester Biosciences Kenya Limited

PART “B”: JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Joint Venture	Thrishool Exim Limited
Latest Audited Balance Sheet Date	31 December 2025*
Shares of Joint Ventures held by the Company on the period ended 31 March 2026	
Number of Shares	1,674
Amount of Investment in Joint Venture	INR 208.15 million
Extend of Holding %	50%
Description of how there is significant influence	The company having 50% stake in equity shares and management joint control of the entity
Reason why the joint venture is not consolidated	Not Applicable
Net Worth attributable to Shareholding as per latest Balance Sheet	INR 314.59 million
Profit for the period ended 31 March 2026	
Considered in Consolidation	INR 63.73 million
Not Considered in Consolidation	Not Applicable

* The statutory financial year end of Thrishool Exim Limited is 31 December and the above stated figures are based on the audited financial statements for the year ended 31 December 2025 and consolidation carried out as per IND AS 110 considering the material values till 31 March 2026.

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 15 May 2026
Place Kadi, Mehsana

ANNEXURE-2

FORM NO. AOC-2 PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

(Pursuant to Clause (h) of Sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Forms for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into with related parties during the year under review, which were not on an arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

The Company has not entered into any material contract/arrangement/ transaction with its related parties, during the year ended on 31 March 2026.

Note: All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of ten per cent of consolidated turnover and considering wholly owned subsidiaries are exempt for the purpose of Section 188(1) of the Act.

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 15 May 2026
Place Kadi, Mehsana

ANNEXURE-3

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	Brief outline on CSR Policy of the Company	The Company has framed a CSR Policy in compliance with the provisions of section 135 of the Act and Rules made thereunder, as amended from time to time and for the time being in force. The policy may be accessed through the web-link: https://www.hester.in/corporate-governance																				
2	Composition of CSR Committee	<table border="1"><thead><tr><th>Sr.</th><th>Name of Director</th><th>Designation / Nature of Directorship</th><th>Number of meetings of CSR Committee held during the year</th><th>Number of meetings of CSR Committee attended during the year</th></tr></thead><tbody><tr><td>1</td><td>Mr. Rajiv Gandhi</td><td>Chairperson/ Executive Director</td><td>2</td><td>2</td></tr><tr><td>2</td><td>Mr. Sanjiv Gandhi</td><td>Member/ Non-Executive Director</td><td>2</td><td>2</td></tr><tr><td>3</td><td>Ms. Sandhya Patel</td><td>Member/ Independent Director</td><td>2</td><td>2</td></tr></tbody></table>	Sr.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	1	Mr. Rajiv Gandhi	Chairperson/ Executive Director	2	2	2	Mr. Sanjiv Gandhi	Member/ Non-Executive Director	2	2	3	Ms. Sandhya Patel	Member/ Independent Director	2	2
Sr.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year																		
1	Mr. Rajiv Gandhi	Chairperson/ Executive Director	2	2																		
2	Mr. Sanjiv Gandhi	Member/ Non-Executive Director	2	2																		
3	Ms. Sandhya Patel	Member/ Independent Director	2	2																		
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	www.hester.in																				
4	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not Applicable																				
5	a) Average net profit of the company as per section 135(5)	INR 409.52 million																				
	b) Two percent of average net profit of the company as per section 135(5)	INR 8.19 million																				
	c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil																				
	d) Amount required to be set off for the financial year, if any	Nil																				
	e) Total CSR obligation for the financial year (5b+5c-5d)	INR 8.19 million																				
6	a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	INR 8.21 million																				
	b) Amount spent in Administrative Overheads	Nil																				
	c) Amount spent on Impact Assessment, if applicable	Not Applicable																				
	d) Total amount spent for the Financial Year (6a+6b+6c)	INR 8.21 million																				

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

Total Amount spent for the financial year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
INR 8.21 million	Not Applicable				

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

Sr. No.	Particular	Amount (In INR million)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Not Applicable
(ii)	Total amount spent for the financial year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
Not Applicable								

8

Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year

No

9

Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135

Not Applicable

For and on behalf of Board of Directors

Rajiv Gandhi
Chairman - CSR Committee &
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 15 May 2026
Place Kadi, Mehsana

ANNEXURE-4

SECRETARIAL AUDIT REPORT OF HESTER BIOSCIENCES LIMITED

for the financial year ended 31 March 2026

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

To,
The Members,
HESTER BIOSCIENCES LIMITED
CIN: L99999GJ1987PLC022333
Village - Meda Adraj, Taluka - Kadi,
District - Mehsana, Gujarat 384441

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and based on the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit through electronically by way of scan copy or soft copy through mail or otherwise, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2026, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined through electronically by way of scan copy or soft copy through mail or otherwise, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2026 and made available to us, according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
 - c. SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time; and
 - d. SEBI (Investor Protection and Education Fund) Regulation, 2009;
6. Secretarial Standards issued by the Institute of Company Secretaries of India (SS - 1 and SS - 2)

We have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Pharmaceutical Company, following are some of the Acts applicable to the Company, for which examination of the relevant documents and records, on test check basis, have been carried out under:

1. Biological Diversity Act, 2002 & its Rules
2. Drug Policy, 2002
3. Drugs (Price Control) Order, 2013

During the period under review, the Company has generally complied with all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc., were not applicable to the Company:

- i. Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021;
- ii. SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016 and 2021;
- iii. Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
- iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018; and
- v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & 2018;

We further report that, the Compliance by the Company of applicable financial laws, like direct and indirect tax laws and names of related parties under IND AS-24, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and on the basis of Compliance Certificates issued by the CEO & Managing Director and Company Secretary of the Company and taken on record by the Board of Directors at their meetings, in our opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors. However, change of KMP (CFO) that took place during the period under review was carried out through circular resolution. Under SS-1, it requires Board meeting resolution. Later on, the Company took note of the said resolution in subsequent Board Meeting.

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

During the year, all decisions in the Board Meetings were carried unanimously.

We further report that, during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

- i. During the year, Mr. Divyesh Maru, Chief Financial Officer of the company resigned with effect from 13 November 2025 and Mr. Ashish Desai was appointed as a new Chief Financial Officer with effect from 20 November 2025.
- ii. Mr. Rajiv Gandhi was re-appointed as a Chief Executive Officer and Managing Director of the company with effect from 1 April 2026 for a further period of 3 years, as approved by member of the company through postal ballot process.

For Shah & Shah Associates

Company Secretaries

Tapan Shah

Partner

Membership No. : **4476**

PR No. : **7705/2026**

UDIN : **F004476H000331440**

Date 15 May 2026

Place Ahmedabad

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

ANNEXURE-A

TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
HESTER BIOSCIENCES LIMITED
CIN: L99999GJ1987PLC022333
Village - Meda Adraj, Taluka - Kadi,
District - Mehsana, Gujarat 384441

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

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

For Shah & Shah Associates
Company Secretaries

Tapan Shah
Partner
Membership No. : **4476**
PR No. : **7705/2026**
UDIN : **F004476H000331440**

Date 15 May 2026
Place Ahmedabad

ANNEXURE-5

PARTICULARS OF REMUNERATION AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary for the financial year 2025-26:

Sr.	Name of Director and KMP	Designation/ Category	Ratio of remuneration to median remuneration of Employees	% Increase/ (Decrease) in remuneration
A EXECUTIVE DIRECTORS				
1	Mr. Rajiv Gandhi	CEO & Managing Director	168.72	27%
2	Ms. Priya Gandhi	Executive Director	33.45	24%
B NON-EXECUTIVE DIRECTORS*				
1	Dr. Bhupendra Gandhi	Chairperson	0.83	NA
2	Mr. Sanjiv Gandhi	Director	0.60	NA
3	Mr. Ravin Gandhi	Director	Nil	NA
4	Ms. Nina Gandhi	Alternate Director	0.33	NA
5	Ms. Sandhya Patel	Independent Director	1.49	NA
6	Mr. Ashok Bhadakal	Independent Director	1.41	NA
7	Mr. Ameet Desai	Independent Director	0.50	NA
8	Mr. Anil Jain	Independent Director	0.66	NA
9	Mr. Jatin Trivedi	Independent Director	0.17	NA
C KEY MANAGERIAL PERSONNEL				
1	Mr. Divyesh Maru**	Chief Financial Officer	NA	NA
2	Mr. Ashish Desai#	Chief Financial Officer	NA	NA
3	Mr. Vinod Mali	Company Secretary	NA	10%

* Sitting Fees

** Ceased with effect from 13 November 2025

Appointed with effect from 20 November 2025

- b) The percentage increase in the median remuneration of employees in the financial year was 1%.
- c) There were 483 permanent employees on the rolls of the Company as on 31 March 2026.
- d) The average annual increase in the salaries of the employees, other than managerial personnel was 5.25%, whereas average increase in the managerial remuneration was 26% for the financial year. The managerial remuneration was on the recommendation of Nomination and Remuneration Committee considering the performance of the managerial personnel and the approved terms and conditions by the Shareholders of the Company.
- e) The Board of Directors of the Company hereby affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.
- f) The statement containing particulars of employees as required under Section 197 of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. In terms of Section 136 of the Act, the report and accounts are being sent to the Members and others entitled thereto, excluding the said annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary at cs@hester.in

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 15 May 2026
Place Kadi, Mehsana

ANNEXURE-6

INFORMATION AS REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

A. CONSERVATION OF ENERGY

1. The steps taken or impact on conservation of energy:

a. Particulars of major steps taken and capital investments made:

Sr.	Steps taken by installing following equipment / fittings	Capital Investment (INR million)
1	Replacement of air handling unit fan motors with Electronically Commutated fan motors	2.96
2	Cooling tower permanent magnet motors installation	0.40
3	Retrofitting ETP blowers with variable frequency drives and upgrading lighting to LED	0.50

b. Impact on conservation of energy:

To enhance energy efficiency and reduce operational costs, the Company has implemented several initiatives across utilities and process systems. These measures have resulted in a significant reduction in energy consumption across key operations. Upgrades to Air Handling Units (AHUs) have delivered approximately 20% energy savings, while installation of Permanent Magnet (PM) motors in cooling tower fans has achieved savings of around 50%. In addition, optimisation of contracted electricity demand and deployment of Variable Frequency Drives (VFDs) have improved overall system efficiency and reduced electricity costs.

Water conservation measures, including improved monitoring, optimisation of usage and implementation of reuse systems, have led to marginal reduction in raw water consumption, contributing indirectly to energy savings. Overall, these initiatives have enhanced energy efficiency, reduced operating costs and supported effective conservation of resources.

2. The steps taken by the Company for utilising alternate sources of energy:

The Company has adopted alternate and renewable sources of energy by installing rooftop solar panels on one of the buildings within its factory premises. The solar power generated is being directly utilised for a part of its operational requirements, reducing dependence on grid power and lowering energy costs. These steps support an increase in the share of clean energy in the overall consumption mix and contribute to reduction in the Company's carbon footprint.

B. TECHNOLOGY ABSORPTION

1. The effort made towards technology absorption;

Hester has undertaken focused steps to absorb and implement advanced technologies within its operations. The Company has strengthened its vaccine manufacturing processes through the adoption of modern equipment, upgraded analytical tools and enhanced quality control systems, resulting in improved efficiency and consistency. Ongoing process improvements and facility upgrades reflect continued efforts to integrate advanced technologies into core operations.

The in-house R&D team collaborates with reputed institutions to develop and apply new vaccine technologies. This approach has supported reduction in dependence on imported technology while improving product quality, operational efficiency and innovation, ensuring that products meet required standards of safety and effectiveness.

2. The benefit derived like product improvement, cost reduction, product development or import substitution;

The Company's ongoing process improvements and technology upgrades have resulted in better operational efficiency, improved product quality and higher productivity. These initiatives have also helped in cost reduction through better utilisation of resources and streamlining of processes.

In addition, the Company's focus on in-house development and process innovation has supported product development and reduced dependence on imported materials, thereby strengthening operating margins and enhancing long-term competitiveness.

3. Imported technology (imported during the last three years reckoned from the beginning of the financial year);

The Company has not acquired or implemented any technology from international sources during the year.

4. Expenditure incurred on Research and Development:

The Company has incurred expenditure of INR 71.11 million under the head Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

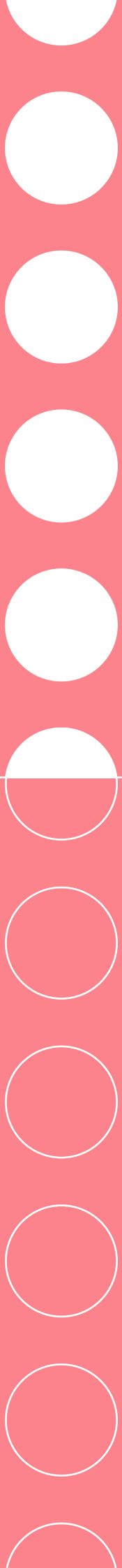
During the year, the foreign exchange earned in terms of actual inflows was INR 202.68 million, whereas the foreign exchange in terms of actual outflows was INR 11.66 million from the operations of the Company.

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 15 May 2026
Place Kadi, Mehsana



ECONOMY OVERVIEW

GLOBAL ECONOMY

The global economy is expected to witness moderate growth during 2026, reflecting resilience in economic activity amid a challenging and evolving macroeconomic environment. Global GDP growth is projected at around 3.1% in 2026, with a modest improvement to 3.2% in 2027.¹ Growth remains below historical averages, reflecting the combined impact of tighter financial conditions, elevated geopolitical tensions and persistent structural challenges. Inflationary pressures have shown signs of moderation in several economies; however, recent increases in commodity prices and heightened geopolitical uncertainties may lead to temporary upward pressures on inflation in the near term. As a result, the pace of monetary policy easing is expected to remain gradual and uneven across countries.

Global economic conditions continue to be shaped by the lingering effects of earlier disruptions, including the pandemic, ongoing geopolitical conflicts, supply chain adjustments and elevated public debt levels. Increasing geopolitical fragmentation and trade-related restrictions are also contributing to uncertainty in global trade and investment flows, thereby affecting medium-term growth prospects.

Emerging Market and Developing Economies (EMDEs) remain a key driver of global growth and are expected to expand at a relatively faster pace than advanced economies. Nevertheless, the pace of income convergence with advanced economies has slowed in recent years. Structural constraints such as high debt burdens, limited fiscal headroom, productivity gaps and demographic pressures continue to weigh on growth potential in several countries.² Without sustained policy reforms and increased investment in productivity-enhancing sectors, many low-income economies may face challenges in achieving meaningful income convergence.

The global outlook remains subject to significant downside risks, including the escalation of geopolitical tensions, volatility in financial markets, climate-related disruptions and persistent inflationary pressures in certain regions, which may also delay the pace of monetary easing and affect investment activity. At the same time, improvements in supply conditions, easing of inflation and stable demand across major economies could provide support to global growth.

Regionally, growth prospects remain divergent across emerging markets. East Asia and parts of Europe are expected to witness relatively slower growth amid weaker external demand and ongoing structural adjustments. In contrast, South Asia and Sub-Saharan Africa are projected to record relatively stronger growth, supported by domestic demand and favourable demographic trends. Latin America is expected to see a gradual recovery, although growth may remain constrained by fiscal pressures and external vulnerabilities.

For many economies, sustaining long-term growth will require continued policy focus on macroeconomic stability, structural reforms, investment in infrastructure and human capital, and strengthened international cooperation to address shared global challenges.

INDIAN ECONOMY

India's economy remained resilient in FY 2025–26, supported by strong domestic demand, steady services sector growth and continued government capital expenditure. As per the Government of India's revised estimates, real GDP growth for FY 2025–26 is estimated at around 7.6%, reflecting broad-based expansion led by private consumption, infrastructure spending and improving manufacturing activity.³

Geopolitical tensions in the Middle East continue to pose an external risk to the outlook. Any escalation or prolonged disruption could impact global energy prices and supply chains. Given India's reliance on crude oil imports, volatility in oil prices may have implications for inflation and the external balance. The situation remains uncertain and could weigh on growth if disruptions persist.

Inflationary pressures moderated during the year, providing a stable macroeconomic environment. The Reserve Bank of India maintained a neutral monetary policy stance and kept the policy repo rate unchanged in its February 2026 Monetary Policy Committee meeting, noting that both headline and core inflation remained relatively subdued. The RBI expects inflation to gradually move towards the medium-term target of 4% over the coming quarters.⁴

¹ <https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026>

² <https://openknowledge.worldbank.org/bitstreams/982e409e-c4c6-435c-93a0-79b6a390f6f5/download>

³ <https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=2233792>

⁴ https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62514

The Government continued its focus on public investment and fiscal consolidation, with sustained capital expenditure on infrastructure, logistics and digital public infrastructure. The Economic Survey highlighted that public capex has supported economic activity and helped crowd-in private investment while strengthening medium-term growth prospects.⁵

India's macroeconomic fundamentals remain relatively strong despite global uncertainties. The International Monetary Fund has noted India's position as one of the fastest-growing major economies, supported by

sound macroeconomic policies and domestic demand. However, global geopolitical developments, trade disruptions and commodity price volatility remain key external risks.

Overall, the outlook for the Indian economy remains positive, supported by continued infrastructure investment, improving private sector participation and expanding digital adoption. While global uncertainties persist, domestic growth drivers are expected to support economic activity and business expansion over the medium term.

⁵ <https://www.pib.gov.in/economicsurvey/2026/en/index.aspx>

INDUSTRY OVERVIEW

GLOBAL VETERINARY HEALTHCARE INDUSTRY

The global veterinary healthcare industry continues to register steady growth, supported by increasing pet ownership, rising expenditure on animal health and growing demand for livestock productivity. The global veterinary animal healthcare market is estimated at USD 62.28 billion in 2025 and is expected to reach USD 66.48 billion in 2026, with projections indicating expansion to around USD 92.34 billion by 2031, reflecting a CAGR of about 6.8% during 2026–2031.⁶ The growth trajectory is supported by increasing adoption of preventive healthcare, expanding veterinary services and continuous innovation in animal health products.

Demand growth is largely driven by the companion animal segment, supported by rising pet humanisation, increasing disposable incomes and greater focus on preventive and chronic care treatments. Higher spending on veterinary pharmaceuticals, vaccines, diagnostics and wellness products continues to support market expansion. At the same time, increasing pet insurance coverage and improved access to veterinary care in developed markets are further strengthening industry growth.

The livestock healthcare segment also remains a key contributor to industry demand. Rising global consumption of animal protein, coupled with the need to improve farm productivity and disease control, is driving adoption of vaccines, parasiticides and therapeutics across poultry, swine and cattle segments. Governments and regulatory bodies across several regions are strengthening disease surveillance and biosecurity measures to safeguard livestock health and food safety.

The industry is also benefiting from technological advancements in veterinary diagnostics and treatment. The adoption of point-of-care diagnostics, molecular testing and digital veterinary platforms is enabling faster disease detection and improved treatment outcomes. However, the industry continues to face certain challenges including regulatory complexities, increasing scrutiny on antibiotic usage in livestock and supply chain constraints in certain markets.

Looking ahead, the global veterinary healthcare industry is expected to maintain a positive outlook, supported by structural drivers such as expanding companion animal populations, increasing livestock

healthcare spending and continued innovation in vaccines, therapeutics and diagnostic technologies. These trends are expected to sustain industry growth and create long-term opportunities across the animal health value chain.

INDIAN VETERINARY HEALTHCARE INDUSTRY

The Indian veterinary healthcare industry continues to expand, supported by the country's large livestock population and rising awareness of animal health. The market is estimated at USD 1.62 billion in 2025 and projected to reach USD 1.76 billion in 2026 and is expected to grow at a CAGR of about 8.6% during 2026–2031. Demand is driven by increasing use of vaccines, pharmaceuticals and preventive healthcare products across livestock and companion animals.⁷

Livestock healthcare remains the largest segment of the market. India has one of the world's largest populations of cattle, poultry, sheep and goats. Growing consumption of poultry and dairy products is supporting demand for vaccines, anti-infectives and parasiticides. Government vaccination programmes and disease-control initiatives continue to strengthen adoption of animal healthcare products.

The companion animal segment is also expanding steadily. Urbanisation and rising pet ownership are increasing demand for veterinary services and wellness products. Spending on diagnostics, preventive care and nutrition products is gradually rising. Growth of organised veterinary clinics and pet care services in urban areas is further supporting the segment.⁸

The industry continues to face certain structural constraints. Veterinary infrastructure remains uneven across regions, particularly in rural areas. Distribution of temperature-sensitive vaccines and biologics depends on reliable cold-chain networks. Regulatory oversight on antimicrobial use and product quality is also increasing.

The outlook for the Indian veterinary healthcare industry remains positive. Demand is expected to be supported by livestock health needs, expanding companion animal care and greater focus on preventive healthcare. Continued investment in vaccination programmes, veterinary infrastructure and product innovation is likely to support industry growth over the medium term.

⁶ <https://www.mordorintelligence.com/industry-reports/global-veterinary-animal-healthcare-market-industry>

⁷ <https://www.mordorintelligence.com/industry-reports/india-veterinary-healthcare-market-industry>

⁸ <https://www.imarcgroup.com/india-veterinary-healthcare-market>

INDIAN POULTRY HEALTHCARE INDUSTRY

India's poultry healthcare industry is expanding in line with the rapid growth of the poultry production sector. The Indian poultry market was valued at approximately INR 2,636 billion in 2025 and is projected to reach around INR 8,433 billion by 2034, reflecting a CAGR of about 13.8%.⁹ The increasing scale of commercial poultry farming is supporting higher demand for vaccines, therapeutics and disease prevention solutions across hatcheries and broiler operations.

Demand is driven by rising consumption of chicken and eggs, supported by urbanisation, population growth and increasing preference for affordable protein sources. Expansion of quick-service restaurants, organised retail and food delivery platforms has further strengthened poultry demand. With greater commercialisation of poultry farming, producers are increasingly adopting structured flock health management practices, including vaccination programmes against diseases such as Newcastle disease, infectious bronchitis, Marek's disease and infectious bursal disease.

Technological developments in poultry biologics are also supporting the sector. Advances such as multivalent vaccines, recombinant vaccines and in-ovo vaccination technologies are improving disease protection and enabling large-scale immunisation at hatcheries. Continued investments in vaccine development and expanding distribution networks are strengthening access to poultry healthcare products.

The sector remains exposed to certain risks. Disease outbreaks such as avian influenza can affect poultry populations and disrupt supply chains, highlighting the importance of strong biosecurity and vaccination practices. In response, the Government of India has strengthened disease-control measures for avian influenza through a three-pronged strategy comprising stricter biosecurity protocols at poultry farms, enhanced disease surveillance and mandatory registration of poultry farms to improve monitoring and early detection of outbreaks.¹⁰ In addition, volatility in feed costs and the presence of small and fragmented farms in certain regions continue to pose operational challenges.

The outlook for poultry healthcare remains favourable. Growth in poultry consumption, expansion of organised farming and increasing focus on preventive healthcare are expected to support sustained demand for poultry vaccines and health management solutions over the medium term.

⁹ <https://www.imarcgroup.com/indian-poultry-market>

¹⁰ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2119198>

¹¹ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1588304>

¹² <https://www.nature.com/articles/s41598-025-94383-6>

¹³ <https://www.imarcgroup.com/india-animal-vaccine-market>

INDIAN ANIMAL HEALTHCARE INDUSTRY

India has one of the largest livestock populations globally, with over 536 million livestock, including around 303 million cattle and buffaloes forming the backbone of the country's dairy economy.¹¹ The country also has a substantial population of small ruminants, including approximately 149 million goats and 74 million sheep. Livestock farming is an integral part of the rural economy, supporting millions of small and marginal farmers by providing a steady source of income, employment and nutrition. Despite having only 2.4% of the world's land area, India supports nearly 10.7% of the global livestock population, highlighting the importance of efficient livestock management and robust animal healthcare systems.

The livestock sector is a key contributor to the agricultural economy of India. It accounts for around 5.5% of India's Gross Value Added (GVA) and nearly 30% of the GVA from agriculture and allied sectors, generating economic output of over INR 9 trillion. India also remains the largest producer of milk globally, contributing around 24% of global milk production, supported largely by its cattle and buffalo population. Growing demand for dairy and livestock products is increasing the need for better herd health management and veterinary care.

Livestock diseases continue to pose a major economic challenge. Diseases such as Foot-and-Mouth Disease (FMD), Brucellosis, Peste des Petits Ruminants (PPR) and Lumpy Skin Disease (LSD) affect animal productivity and farmer incomes. Studies indicate that Lumpy Skin Disease outbreaks caused losses exceeding INR 20,000 crore during 2022–23, highlighting the economic vulnerability of the livestock sector to disease outbreaks.¹²

The livestock healthcare market in India is therefore witnessing steady expansion. The Indian animal health market was valued at approximately INR 9,260 crore in 2025 and is projected to reach about INR 17,190 crore by 2034, driven by rising demand for vaccines, pharmaceuticals and preventive healthcare solutions.¹³

Key Growth Drivers:

- Rising livestock population and productivity needs
- Rising demand for milk, meat and other animal-derived products
- Growing awareness of animal health and welfare among farmers
- Increasing adoption of preventive healthcare and vaccination programmes
- Expansion of organised dairy and livestock farming

- f) Government-led disease control and vaccination programmes
- g) Advancements in veterinary vaccines and disease surveillance systems

Despite strong growth prospects, the livestock sector faces structural challenges including recurring disease outbreaks, limited veterinary infrastructure in rural and remote regions, low awareness of preventive healthcare among smallholder farmers, risks related to zoonotic diseases and antimicrobial resistance and low penetration of organised veterinary services and livestock insurance. To address these gaps, the Government is expanding veterinary outreach through mobile veterinary units and telemedicine, strengthening veterinary training and capacity and promoting livestock insurance to improve financial protection for farmers.

Key initiatives such as the National Animal Disease Control Programme (NADCP), Rashtriya Gokul Mission and the Livestock Health and Disease Control Programme (LHDCP) focus on large-scale vaccination, disease surveillance and improved livestock productivity. Complementary programmes like the Animal Health System Support for One Health (AHSSOH) project are upgrading veterinary laboratories and hospitals, while a DAHD–UNDP digital vaccine monitoring system is improving cold-chain tracking and immunisation coverage. These initiatives are aligned with the broader One Health approach, integrating animal, human and environmental health to strengthen disease prevention and food safety systems across the country.

INDIAN PET CARE INDUSTRY

The pet care market in India has expanded steadily, driven by rising pet ownership and higher household spending on pet health and nutrition. Industry estimates place the market at about USD 3.6 billion (around INR 30,000 crore) in 2024, with roughly 100 million pets nationally, including approximately 30 million in urban homes.¹⁴ Growing acceptance of pets as family members has led to higher spending on nutrition, grooming and veterinary care, while

organised retail and e-commerce channels continue to improve product availability and access across major cities.

The Indian Pet Care industry has expanded across key segments such as pet food, veterinary healthcare, grooming products and accessories. Pet food remains the largest organised category, supported by increasing adoption of packaged and specialised diets. Industry studies suggest that the market could grow at around 15–20% CAGR over the next few years, reflecting higher pet ownership, rising disposable incomes and a gradual shift from home-prepared diets towards commercial nutrition.

Growth in the sector is supported by several structural factors. Urbanisation, changing lifestyles and the prevalence of nuclear households have contributed to higher pet adoption, particularly in metropolitan areas. At the same time, increasing awareness around pet health and wellness is encouraging spending on quality nutrition, grooming and preventive healthcare. The continued expansion of organised retail and digital commerce platforms has further improved product reach across urban and emerging markets.

Despite favourable growth trends, the industry faces certain structural constraints. Pet ownership penetration remains lower than in developed markets and awareness regarding scientific pet nutrition and preventive veterinary care continues to evolve. Access to organised veterinary infrastructure and specialised services also remains uneven across smaller towns and rural markets.

The long-term outlook for the Indian pet care sector remains favourable. Increasing pet adoption, improving consumer awareness and a gradual shift towards preventive healthcare are expected to support sustained industry growth. These trends are likely to drive demand for veterinary medicines and vaccines, creating opportunities for companies operating in the animal health segment focused on veterinary vaccines and animal health products.

¹⁴ <https://www.ibef.org/blogs/decoding-the-rise-of-the-pet-care-industry-in-india-a-new-consumer-growth-story>

ABOUT HESTER BIOSCIENCES

COMPANY OVERVIEW

Hester Biosciences, founded by Mr. Rajiv Gandhi in 1987 and headquartered in Kadi, Gujarat, is one of India's leading animal healthcare companies. The Company operates state-of-the-art vaccine manufacturing facilities in India, Nepal and Tanzania. It is publicly listed on both the National Stock Exchange (NSE) and BSE Limited, and holds certifications including WHO-GMP, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and GLP, reflecting its commitment to international standards of quality, safety and operational excellence.

The Company specialises in the research, manufacturing and marketing of vaccines and health products for poultry, ruminants and pets. With a strong focus on disease prevention and animal productivity, Hester has established itself as an important contributor to livestock health, food security and rural livelihoods.

Hester has established a strong global footprint, exporting products to Asia, Africa, Europe and South America, with a strategic focus on India, Nepal and Africa. The Company maintains an active presence in over 35 countries and has engaged in key collaborations with renowned organisations such as the Gates Foundation, GALVmed and the Golchha Organisation to strengthen vaccine accessibility and livestock health initiatives.

The Company is the second-largest poultry vaccine manufacturer in India, with an estimated domestic market share of around 35%. Globally, Hester is the largest supplier of Peste des Petits Ruminants (PPR) vaccines, with approximately 75% share of the global market. In India, the Company holds a market-leading position in the goat pox vaccine segment, with a market share exceeding 70%. Hester is also recognised as India's first commercial manufacturer of goat pox vaccine and manufactures PPR vaccines using both Nigerian and Sungri strains.

Hester operates through two primary business divisions, Poultry Healthcare and Animal Healthcare (including ruminants and pets). The Company offers a diversified portfolio of over 50 vaccines and more than 70 animal health products, along with value-added services including sero-monitoring kits, poultry diagnostic support and mastitis control programmes for cattle.

The Company has a well-established manufacturing presence across India, Nepal and Tanzania, enabling it to meet demand in both domestic and international

markets in a timely and efficient manner. All facilities are strategically located to support smooth operations and consistent supply. In addition to manufacturing, Hester operates diagnostic laboratories in Kadi (Gujarat), Hyderabad and Kolkata, providing free diagnostic services and technical support to customers across regions, contributing to better disease control and overall animal health.

Driven by strong research and development capabilities, market insights and a commitment to innovation, Hester continues to expand its product portfolio and geographic reach. The Company remains well-positioned to capitalise on emerging opportunities in the global poultry, livestock and pet healthcare sectors while strengthening its role in advancing animal health and sustainable food production.

STRATEGIC FOCUS AND INITIATIVES

Strengthening Vaccine Portfolio and Government Programme Participation

Vaccines remain the core of the Company's business, particularly in poultry and livestock. Hester continues to support national livestock disease control programmes through the supply of vaccines such as PPR and Goat Pox. The launch of the Avian Influenza vaccine will further strengthen the poultry vaccine portfolio. Ongoing engagement with government institutions and veterinary networks supports the Company's participation in large-scale disease prevention programmes. Continued investments in product development and customer engagement will support the Company's objective of protecting and growing its core vaccine revenues.

Expansion of Export Markets

International markets remain an important growth avenue. The Company continues to pursue regulatory registrations and approvals across multiple geographies to expand the export footprint. Participation in government tenders and institutional procurement programmes is expected to support export volumes, particularly across Africa and Asia, while strengthening the Company's global presence.

Enhancing Operational Efficiencies

Improving operational efficiency remains a priority. The Company is focused on better utilisation of manufacturing capacity, disciplined cost management and improvements in supply chain efficiency. These initiatives are expected to support better absorption of fixed costs and contribute to improved operating margins as volumes scale.

Optimising Global Operations

The Company will continue to focus on improving the performance of its international subsidiaries while strengthening operational efficiencies across overseas markets. Growth initiatives in Africa and Nepal remain a priority. Participation in international tenders and engagement with regional partners are expected to support export growth and expand market access.

Focused Research and Development

Research and development remains central to the Company's long-term strategy. Efforts are directed towards developing next-generation vaccines for poultry and livestock diseases. Existing manufacturing infrastructure will be leveraged to support upcoming product launches and scale production in line with market demand.

BUSINESS STRENGTHS

Dominant positions that Hester holds in the Animal Healthcare market:

1. Second-largest poultry vaccine manufacturer in India with a 35% market share
2. World's largest producer of PPR vaccines with 75% global market share
3. Over 70% of India's Goat Pox vaccine market
4. Serves as a supplier to the PPR OIE vaccine bank
5. Leading LSD vaccine supplier across Africa

Diversified Product Portfolio

Hester offers a comprehensive portfolio of vaccines, healthcare products and diagnostic services catering to poultry, ruminants and pets. The Company's portfolio comprises over 50 vaccines and more than 70 healthcare products, addressing a wide range of diseases across livestock, poultry and pets. This diversified offering enables participation across multiple segments of the animal healthcare market.

Manufacturing Scale and Infrastructure

Hester's flagship manufacturing facility is located at Kadi, Gujarat, making it one of the largest animal biological manufacturing facilities in Asia. The Company also has manufacturing presence in Nepal and Tanzania, which supports regional supply and facilitates access to international markets.

Research and Development Capabilities

Hester operates a DSIR-recognised R&D centre at Kadi, Gujarat, focused on vaccine development, strain improvement and process innovation in veterinary biologicals. The Company's R&D efforts support expansion of its product portfolio and the development of solutions for emerging animal health challenges. In addition, its GMP-certified facilities in India, Nepal and Tanzania reflect over four decades of expertise in developing high-quality veterinary vaccines.

Integrated Distribution Network

Hester has built a well-established distribution network across domestic and international markets. The Company services veterinarians, institutional customers, government programmes and commercial farms through an organised distribution system that ensures product availability across diverse geographies.

Expanding Global Presence

Hester continues to strengthen its international presence through exports and regional partnerships. Its manufacturing footprint across India, Nepal and Tanzania enables the Company to serve markets across Asia and Africa. Operations in Tanzania also support the supply of vaccines for key diseases such as PPR, Lumpy Skin Disease (LSD), CBPP and CCPP, positioning the Company to benefit from increasing vaccination initiatives in emerging markets.

Quality and Regulatory Compliance

Hester maintains stringent quality and biosafety standards across its operations. Its manufacturing facilities operate under GMP and GLP frameworks and are certified under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, reflecting adherence to internationally recognised quality and safety standards.

BUSINESS OUTLOOK

Hester continues to be well positioned for long-term growth, supported by its established capabilities in veterinary biologicals and an expanding portfolio of animal healthcare products. Over the years, the Company has evolved from a poultry-focused vaccine manufacturer into a diversified animal healthcare player offering vaccines and health solutions across multiple species. This broader portfolio, combined with growing awareness of disease prevention, biosecurity and livestock productivity, provides a supportive foundation for sustained business growth.

The Company is also strengthening its operational capabilities to support future expansion. The capitalisation of the Fill-Finish Facility and BSL-3 Facility marks a significant step in strengthening the Company's manufacturing and R&D capabilities. The Fill-Finish Facility will increase drug product manufacturing capacity to meet growing market demand while improving asset utilisation. The repurposing of its BSL-3 facility towards veterinary vaccine development is expected to enhance its ability to address emerging and complex animal diseases while optimising the utilisation of existing infrastructure. Strengthened quality systems and regulatory compliance are aimed at improving production flexibility to meet evolving domestic and international demand.

Hester continues to align its product strategy with changing industry requirements, including the gradual shift towards sustainable and preventive animal healthcare solutions. The expansion of natural and plant-based health products reflects the Company's commitment to supporting animal immunity and reducing dependence on antibiotics in livestock farming. In addition, participation in national animal health programmes and growing engagement in export markets further strengthen the Company's long-term growth platform.

Internationally, the Company's operations in Tanzania provide an important base for expansion across African markets. With regulatory approvals and manufacturing capabilities in place, the facility is expected to progressively strengthen the Company's presence in the region. Overall, the Company remains focused on leveraging its technical expertise, manufacturing infrastructure and expanding market relationships to support sustainable growth in the evolving animal healthcare landscape.

FINANCIAL ANALYSIS

FY2025-26 was a year of resilient operational performance and significant profitability improvement for Hester despite an uneven demand environment across certain business segments. The Company continued to strengthen its position in the poultry and animal healthcare industry through disciplined execution, improved product mix, enhanced manufacturing capabilities and sustained focus on operational efficiency. The year's performance reflects the important progress of the Company's business model and its ability to adapt effectively to changing market conditions while continuing to invest in long-term growth initiatives.

During FY2025-26, standalone revenue from operations increased to INR 2,921.36 million from INR 2,864.66 million in FY2024-25. On a consolidated basis, revenue from operations grew to INR 3,325.99 million compared with INR 3,111.02 million in the previous year. Although overall revenue growth remained moderate due to timing-related delays in certain government-led immunisation programmes, the Company recorded significant improvement in profitability driven by better operating leverage, favourable business mix and continued cost optimisation measures.

The Company's performance during the year was primarily driven by the strong growth momentum in the Poultry Healthcare division, which continued to benefit from increasing disease awareness, growing focus on preventive healthcare and sustained demand for vaccination programmes across the poultry industry.

SEGMENT PERFORMANCE

Poultry Healthcare

The Poultry Healthcare division emerged as the key growth driver during FY2025-26 and delivered a robust performance across product categories. Revenue from the division increased by 24% year-on-year to INR 2,060.79 million from INR 1,664.39 million in FY2024-25. Consequently, the division's contribution to total revenue increased significantly to 70% compared with 58% in the previous year. Growth in the segment was supported by healthy demand for poultry vaccines, higher immunisation activities and improved market penetration across key poultry-producing markets. Increased awareness regarding disease prevention and biosecurity measures also supported stronger vaccine adoption during the year. In addition, the Company continued to gain traction in newly introduced feed supplements and disinfectants, thereby strengthening its integrated poultry healthcare portfolio and improving customer engagement opportunities.

The division also benefited from continued investments in field-level technical support, deeper customer relationships and expansion of the distribution network, which enhanced market reach and strengthened the Company's competitive positioning. The increasing contribution of specialised and value-added vaccine products further improved the overall quality of revenue generated from the segment.

During the year, the Company capitalised its enhanced fill-finish facility will increase product manufacturing capacity to meet growing market demand. The expanded infrastructure is expected to improve manufacturing flexibility, strengthen supply reliability and support future growth in both domestic and international markets. Further, in the last quarter of the year, the Company received marketing and manufacturing licences for its low-pathogen Avian Influenza H9N2 vaccine, which strengthens the poultry vaccine portfolio and provides additional opportunities for growth in the preventive healthcare segment.

Animal Healthcare

The Animal Healthcare segment, comprising Ruminants and Petcare businesses, reported revenue of INR 818.32 million during FY2025-26 as compared to INR 1,198.83 million in FY2024-25 and contributed 28% of total revenue.

Performance of the segment during the year was impacted primarily by delays in certain government-led vaccination and immunisation programmes, resulting in deferment of procurement and execution timelines. However, the underlying demand environment for livestock healthcare remained stable and the Company continued to maintain participation in key national immunisation initiatives.

Core vaccine and therapeutic products continued to witness stable demand, reflecting the strength of the Company's established product portfolio and customer relationships. The Petcare business maintained steady growth during the year, supported by a diverse range of nutritional and therapeutic products, increasing brand visibility and improved market outreach initiatives. The Company continues to view the companion animal healthcare market as an important long-term growth opportunity, supported by rising pet ownership and increasing awareness regarding preventive healthcare.

The Animal Healthcare segment remains strategically important to the Company's long-term growth plans and is expected to benefit from improving vaccination awareness, increasing investments in livestock productivity and continued focus on animal health management across India.

PROFITABILITY

The Company reported substantial improvement in profitability during FY2025-26, reflecting stronger operating leverage, favourable product mix and sustained focus on efficiency enhancement initiatives.

Gross Profit Margin improved significantly to 72% in FY2025-26 from 67% in the previous year. The margin expansion was supported by a favourable product mix and continued operational discipline across procurement, manufacturing and operational processes.

EBITDA increased by 56% to INR 871.03 million from INR 557.08 million in FY2024-25. EBITDA margin improved significantly during the year, reflecting improved product mix, better absorption of fixed costs, continued cost optimisation initiatives and benefits arising from scale efficiencies in the Poultry Healthcare business.

Net Profit increased by 64% to INR 521 million compared with INR 318.42 million in the previous year. The strong growth in profitability reflects improvement in operating performance, margin expansion and disciplined financial management during the year.

The Company continued to maintain a healthy balance sheet and comfortable liquidity position, which provides adequate financial flexibility to support future

growth initiatives while maintaining financial prudence.

DIVIDEND

In line with the Company's dividend distribution policy of distributing at least 18% of net profits, the Board of Directors has recommended a final dividend of INR 11 per equity share, representing 110% of the face value, subject to shareholders' approval.

The proposed dividend reflects the Company's healthy cash flows, strong financial position and continued commitment to delivering sustainable long-term value to shareholders while retaining adequate financial flexibility for future growth opportunities.

Outlook

Looking ahead, the Company remains focused on strengthening its leadership position in animal and poultry healthcare through product innovation, capacity enhancement, operational excellence and deeper market penetration. The expanded manufacturing infrastructure, strengthening vaccine portfolio and continued focus on preventive healthcare solutions are expected to support sustainable long-term growth across domestic and international markets.

Increasing awareness regarding animal health, biosecurity and preventive vaccination continues to support long-term demand for animal healthcare products. With a diversified product portfolio, strong technical capabilities and continued focus on operational efficiency, the Company remains well positioned to capitalise on emerging opportunities in the animal healthcare sector and deliver sustainable value creation over the medium to long term.

KEY FINANCIAL RATIOS

In line with the improved profitability and disciplined financial management discussed above, the Company's key financial ratios reflect stable liquidity, prudent leverage and strengthening return metrics during the year under review. The improvement in margins and earnings translated into better returns and debt servicing capability, while the balance sheet remained conservatively structured with adequate liquidity buffers. A summary of the key financial ratios for the current year as compared to the previous year is presented below:

Sr.	Ratio	Current Period (2025-26)	Previous Period (2024-25)	% Variance	Reason for variance
1	Current Ratio	2.06	1.92	8%	
2	Debt-Equity Ratio	0.19	0.31	(37%)	Reduction in borrowings has resulted in improvement of debt-equity ratio
3	Debt Service Coverage Ratio	2.07	1.48	40%	
4	Net Profit Margin (%)	17.83%	11.12%	60%	Due to increase in profits during the year
5	Return on Net Worth (%)	14.39%	9.77%	47%	
6	Return on Investment (%)	13.60%	NA	100%	During the year there was gain on sale of investment in subsidiary which was not in previous year

KEY RISKS AND MITIGATION STRATEGIES

Hester operates in a dynamic and highly regulated global veterinary healthcare market, presenting a broad spectrum of strategic, operational, regulatory, financial and technological risks. To proactively manage these challenges, our Risk Management Committee, in collaboration with cross-functional teams, undertakes periodic reviews aligned with our approved risk appetite framework. This structured approach supports business continuity, strengthens operational resilience and enables the sustained creation of stakeholder value. The principal risks and the corresponding mitigation strategies are outlined below:

Key Risks	Particulars	Mitigation Strategy
Economic Risks	Global inflation, fluctuating raw material prices due to geopolitical conflicts and shifts in consumer spending, particularly in emerging economies, can affect the affordability of animal protein and influence demand for veterinary products.	We monitor global and local macroeconomic indicators to fine-tune pricing, procurement and inventory strategies. Hester is expanding into recession-resilient geographies, emphasising operational efficiency and offering cost-effective, high-quality vaccines and health products. Long-term supply contracts and PPP models also provide stability to revenue streams.
Regulatory Risks	Increasing global scrutiny on environmental impact, antimicrobial resistance and animal welfare standards is intensifying compliance requirements across veterinary products.	The Company has established a robust regulatory affairs team and implemented well-structured compliance tracking systems. We proactively engage with industry forums and regulators to stay ahead of policy changes. Periodic internal audits, employee training and a strong compliance culture help mitigate regulatory risks and reinforce our reputation as a responsible industry leader.
Peer Risks	Industry consolidation, rapid innovation cycles and pricing pressures from multinational corporations pose challenges to market share and profitability.	We invest strategically in R&D, enter into licensing and co-development partnerships and continuously upgrade our product pipeline. Competitive benchmarking, agile go-to-market strategies and a focus on customer-centric solutions, including strong after-sales support, help us maintain differentiation and customer loyalty in an evolving market landscape.
Product Development Risks	Emerging disease trends, evolving regulatory landscapes and the high cost of vaccine development can impact time-to-market and product success.	Hester follows a structured and agile product development framework supported by innovation hubs and advanced laboratories. Investments in talent, digital R&D tools and infrastructure accelerate time-to-market. Regular portfolio reviews and feedback loops with veterinary professionals ensure that new products meet real-world needs efficiently and effectively.
Foreign Exchange Risks	Volatility in currency markets, driven by geopolitical shifts, global interest rate movements and trade policies, can impact profitability, especially for export operations.	We employ a prudent forex risk management strategy combining natural hedging, forward contracts and currency diversification. Our finance team works closely with operations to dynamically manage exposure. Export contracts in stable currencies and selective localisation of manufacturing further reduce the impact of forex fluctuations on margins.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's Corporate Social Responsibility (CSR) initiatives are guided by its enduring commitment to sustainable, inclusive and responsible growth. For FY 2025–26, the Company continues to focus on key priority areas including education and infrastructure development, healthcare and sanitation, poverty alleviation, nutrition, women empowerment, environmental sustainability, rural development and livelihood enhancement. All CSR activities are undertaken in accordance with the provisions of the Companies Act, 2013 and the rules notified thereunder.

In addition to these, the Company is dedicated to promoting gender equality and empowering women through the establishment of homes, hostels, old age homes, orphanages and daycare centres. It actively supports the differently-abled, provides vocational training and employment opportunities and contributes to improving livelihoods. The Company

also supports senior citizens by facilitating access to basic amenities and care.

Environmental sustainability is another core area of focus. The Company undertakes efforts to preserve ecological balance through activities related to conservation of flora and fauna, animal welfare, agroforestry and the protection of natural resources. Furthermore, rural and slum development projects are implemented to uplift communities and create long-term, positive social impact.

The CSR Policy is formulated and recommended by the CSR Committee in line with the Companies Act, 2013 and the rules notified by the Ministry of Corporate Affairs. The Committee is responsible for monitoring the implementation of CSR activities and recommending the annual CSR budget. Through consistent outreach, the Company aims to address challenges faced by developing communities, particularly in areas such as animal husbandry and poultry farming.

During FY 2025–26, the Company implemented the following CSR initiatives under its CSR framework:

1. Environmental Sustainability:

INR 2 million was allocated to the Nehru Foundation for Development - Centre for Environment Education Society under the Amdavadam Project for enhancing green cover in Ahmedabad through sustainable environmental practices.

2. Promotion of Education and Mobility Support for Students:

INR 1.61 million was spent on distributing more than 300 cycles to students in Palitana District, Gujarat, under the FIT India Sundays on Cycle programme. The initiative improved access to education for students in remote areas by reducing travel time and physical hardship, supported regular attendance and promoted girl child education. It also enabled basic repair and maintenance training at the village level. The programme strengthened community goodwill and received positive feedback from beneficiaries and stakeholders.

3. Education, Training and School Infrastructure Support:

INR 1.30 million was spent on the construction of essential school infrastructure in villages near the Company's plant, along with the provision of necessary equipment and accessories to support the education of underprivileged children.

4. Waste Management and Rural Cleanliness Drives:

INR 1.30 million was allocated and spent on waste management programmes and rural cleanliness drives, including the cleaning of lakes, temple area and other important public places in villages across Ahmedabad and Mehsana districts of Gujarat.

5. Promotion of Sports:

INR 1 million was allocated to the Foundation for Promotion of Sports and Games to support Paralympic and Olympic sports initiatives across India.

6. Educational and vocational training support:

INR 1 million was allocated to Shri Bhartiya Sanskruti Samvardhak Trust, Porbandar District, Gujarat, to support education and related initiatives.

All these initiatives were carried out with active participation from the Company's workforce, reflecting its commitment to social responsibility and community development. Through its CSR efforts, the Company continues to support education, health, sustainability

and cultural development, creating lasting value for the communities it serves.

HUMAN RESOURCES

People capability remained a key enabler of FY 2025–26 priorities as the Company strengthened systems, execution discipline and readiness for scale. The Company's HR approach focuses on building a performance-oriented and values-led culture, with emphasis on capability development, safety and engagement.

Key pillars include:

1. Workforce planning and capability building: Strengthening functional depth across manufacturing, quality, R&D, regulatory, supply chain and commercial functions, supported by structured on-boarding and role readiness.
2. Learning and development: Ongoing technical and functional training, including programmes aligned to quality systems, documentation discipline, compliance and operational excellence.
3. Performance management: Clear goal setting, periodic reviews and development planning to strengthen accountability and delivery.
4. Employee engagement and culture: Regular communication forums, recognition practices and initiatives that reinforce collaboration, discipline and ownership.
5. Health, safety and wellbeing: Reinforcement of safety protocols, training and wellbeing initiatives to support a safe and healthy workplace.
6. Equal opportunity: Practices aimed at maintaining a workplace based on respect, fairness and merit.

INTERNAL CONTROLS

Hester has established a robust internal control framework designed to safeguard its assets and uphold operational excellence. This system ensures that every transaction is meticulously documented and compliant with all applicable regulations. The internal auditors periodically monitor the effectiveness of these controls, providing the Audit Committee and the Board of Directors with independent and reasonable assurance regarding the Company's risk management, governance and internal control processes.

The internal control framework is proportionate to the nature, size, scope and complexity of the Company's operations. It ensures that all financial transactions are properly authorised, accurately recorded and appropriately reported. Regular audits and inspections are conducted to confirm that responsibilities are fulfilled effectively. The Audit Committee oversees the implementation and maintenance of these financial

controls, ensuring the Company's operations are conducted in an orderly and efficient manner.

The Audit Committee also periodically reviews key issues and material weaknesses identified by both internal and statutory auditors. Timely and appropriate corrective actions are undertaken to mitigate risks and enhance control measures.

CAUTIONARY STATEMENT

The statements included in the Management Discussion and Analysis section of this report relate

to the Company's objectives, projections, estimates, expectations or predictions. These are considered "forward-looking statements" under applicable securities laws and regulations. Such statements are based on certain assumptions and expectations regarding future events. However, actual results may differ materially from those expressed or implied, due to various factors. These may include global and domestic economic developments, changes in government policies, tax and regulatory laws and unforeseen events beyond the Company's control.



The Securities and Exchange Board of India (SEBI) has prescribed Corporate Governance standards for listed companies under Regulations 17 to 27 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Corporate governance embodies principles of corporate discipline, transparency, integrity and accountability towards all stakeholders. It aims to foster long-term value creation while upholding ethical conduct, fulfilling social responsibilities and ensuring regulatory compliance, ultimately enhancing stakeholder value.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is firmly committed to upholding the principles of sound corporate governance. The Company continuously strives to enhance performance across all levels by adhering to best governance practices, including transparency, diligence, responsibility and accountability. In line with this commitment, we have designed our systems and action plans to drive sustainable performance and create long-term stakeholder value.

To foster a culture of good governance, the Company has adopted a comprehensive framework that includes performance accountability, effective internal controls, well-structured Board committees, and the fair representation of professionally qualified, non-executive and independent directors on the Board. We ensure timely and adequate compliance with statutory requirements and we maintain transparency through regular disclosures regarding performance, ownership and corporate governance practices. This Corporate Governance Report reflects compliance with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The Company continues to pursue excellence in governance, with integrity at its core. We believe that good governance entails truthfulness, transparency, accountability and responsibility in all interactions, with employees, shareholders, customers and the broader community. Beyond statutory compliance with the Companies Act and SEBI regulations, our disclosures are guided by the aspiration to achieve the highest standards of governance and foster stakeholder trust.

GOVERNANCE STRUCTURE

The governance framework of the Company comprises the Board of Directors and its various committees at the strategic level, supported by an internal governance structure at the operational level. The Board is entrusted with the responsibility of setting

the Company's overarching corporate objectives and providing strategic direction, while empowering the management to achieve these goals within a well-defined framework.

This structure enables an environment conducive to sustainable and profitable growth, guided by the principles of accountability, integrity and performance. The governance philosophy ensures that executive powers are exercised responsibly, with appropriate checks and balances.

The primary role of the Board is to safeguard stakeholder interests and enhance their value. It undertakes strategic supervision and oversight by establishing policies, defining reporting structures and instituting transparent decision-making processes. The executive director holds overall operational responsibility, offering strategic guidance, implementing Board and committee decisions and ensuring compliance with laid-down policies.

Our governance model fosters entrepreneurship, risk taking and a growth-oriented mindset, while ensuring accountability through clearly defined empowerment mechanisms.

BOARD OF DIRECTORS

The Executive Directors are responsible for overseeing the day-to-day operations of the Company. The Board of Directors reviews the overall business performance at least once every quarter, based on updates provided by the Executive Directors. In addition to offering strategic direction, the Board provides independent insights and guidance to the senior management while fulfilling its fiduciary duties. It ensures that the Company is governed in a manner that aligns with stakeholder expectations and broader societal responsibilities, thereby promoting sustainable and responsible growth.

Composition of the Board

The composition of the Board of Directors, with respect to the number of Executive and Non-Executive Directors, is in compliance with the requirements of the Code of Corporate Governance and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

As of 31 March 2026, the Board is chaired by Dr. Bhupendra Gandhi, Non-Executive Chairman, who is also part of the promoter and promoter group of the Company. In accordance with Regulation 17A of the Listing Regulations, the Company has obtained the approval of its members through a special resolution for continuation of his directorship beyond the age of 75 years.

As of the same date, the Company's Board comprises ten Directors (excluding Alternate Director), which

includes two Executive Directors and eight Non-Executive Directors. Among the Non-Executive Directors, five are Independent Directors with significant expertise and experience in various domains such as business strategy and planning, finance, taxation, legal, industry and information technology. The composition of the Board complies with the provisions of Regulation 17 of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013. The Board reflects a balanced mix of professionals with diverse competencies, enabling it to provide effective leadership and strategic guidance in steering the business forward.

The Independent Directors of the Company are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013, along with the applicable rules framed thereunder. Their tenure is in full compliance with the limits prescribed by the Companies Act,

2013. In terms of the Listing Regulations, Independent Directors have submitted a declaration confirming that they are not aware of any circumstance or situation that could affect or compromise their ability to act independently. Based on these declarations, the Board has confirmed that all Independent Directors meet the independence criteria under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management of the Company.

None of the Directors on the Company's Board serves as a member in more than ten committees or as a Chairperson in more than five committees across all public companies in which they hold directorships. (For this purpose, only the Audit Committee and Stakeholders' Relationship Committee are considered.) All Directors have made the necessary disclosures regarding their committee memberships in other companies and do not hold directorships in more than ten public companies as of 31 March 2026.

The composition of the Board of Directors and the number of Directorships and Committee positions held by each director as on 31 March 2026 are as under:

Name of the Director	Category of Directorship	Directorship in Other Public Companies ¹	Other Board Committee ²		Name of the other listed companies in which the Director of the Company is a Director	Remarks Category of Directorship in the listed companies
			Chairperson	Member		
Dr. Bhupendra Gandhi	Promoter & Non-Executive Director (Chairman)	-	-	-	-	-
Mr. Rajiv Gandhi	Promoter & Executive Director (CEO & Managing Director)	4	-	1	Steelcast Limited	Independent Director
Mr. Sanjiv Gandhi	Promoter & Non-Executive Director	1	-	-	-	-
Mr. Ravin Gandhi	Promoter & Non-Executive Director	-	-	-	-	-
Ms. Nina Gandhi	Promoter & Alternate Director to Non-Executive Director	1	-	-	-	-
Ms. Priya Gandhi	Promoter Group & Executive Director	-	-	2	-	-
Ms. Sandhya Patel	Independent & Non - Executive Director	2	1	1	-	-
Mr. Ashok Bhadalkal	Independent & Non - Executive Director	-	1	-	-	-
Mr. Ameet Desai	Independent & Non - Executive Director	6	-	3	1. Ambuja Cements Limited 2. Ganesh Housing Corporation Limited 3. Corona Remedies Limited	Independent Director
Mr. Anil Jain	Independent & Non - Executive Director	2	1	1	Asahi Saigon Chemicals Limited	Independent Director
Mr. Jatin Trivedi	Independent & Non - Executive Director	-	-	-	-	-

Notes:

1. Directorship in Public Companies (listed and unlisted) excluding directorship in Hester Biosciences Limited.
2. Other Board committee means Membership / Chairmanship of two Committees viz. Audit Committee and Stakeholders' Grievances and Relationship Committee as per Regulation 26 of the SEBI Listing Regulations.
3. As on 31 March 2026, none of the Directors of the Company were related to each other except;
 - a) Dr. Bhupendra Gandhi, Chairman & Non-Executive Director being uncle of Mr. Rajiv Gandhi, CEO & Managing Director;
 - b) Mr. Sanjiv Gandhi, Non-Executive Director being brother of Mr. Rajiv Gandhi, CEO & Managing Director;
 - c) Ms. Priya Gandhi, Executive Director being daughter of Mr. Rajiv Gandhi, CEO & Managing Director;
 - d) Ms. Nina Gandhi, Alternate Director being wife of Mr. Rajiv Gandhi, CEO & Managing Director.

In order to effectively discharge its duties, it is necessary that collectively the Board holds the appropriate balance of skills and experience. The Board seeks a diversity of skills and experience across its members. The table below summarises the key qualifications, skills and attributes which are taken into consideration while nominating a person to serve on the Board. However, the absence of a mark against a director's name does not necessarily mean the member does not possess the corresponding skills/expertise/competencies:

Name of the Director	Managerial	Marketing & Distribution	Finance & Audit	Environment Sustainability	Compliance & Governance	Business Strategy & Planning	Merger & Acquisition	Technology & Innovation
Dr. Bhupendra Gandhi	√	-	-	√	√	-	-	√
Mr. Rajiv Gandhi	√	√	√	√	√	√	√	√
Mr. Sanjiv Gandhi	√	√	√	√	√	√	√	√
Mr. Ravin Gandhi	√	-	√	-	-	√	√	-
Ms. Nina Gandhi	√	√	√	√	√	√	-	-
Ms. Priya Gandhi	√	√	√	√	√	√	√	√
Ms. Sandhya Patel	√	√	√	√	√	√	-	√
Mr. Ashok Bhadakal	√	√	√	√	√	√	√	√
Mr. Ameet Desai	√	√	√	√	√	√	√	√
Mr. Anil Jain	√	√	√	√	√	√	-	√
Mr. Jatin Trivedi	√	-	√	√	√	√	-	√

Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

A certificate has been received from Mr. Tapan Shah, Practicing Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority and the said certificate enclosed herewith as annexure to this report.

The Board of Directors have an opinion that all the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time. All the independent directors are independent of the management and affairs of the Company.

Board Meetings

Board meetings are governed by a structured agenda, with all major agenda items supported by comprehensive background information to enable the Board to make informed decisions. The Company Secretary, in consultation with executive directors and senior management, prepares the detailed agenda for Board meetings.

Agenda papers, including notes on the agenda, are circulated to the Directors in advance, following a defined format. All material information is included to facilitate meaningful and focused discussions during the meeting. In exceptional circumstances, additional or supplementary items may be included on the agenda. In order to transact some urgent business that arises after the agenda papers are circulated, items are presented to the Board via a "table agenda" or "Chairman's agenda."

At Board and Committee meetings, detailed presentations are made covering key areas such as finance, major business segments, company operations, global business trends and business strategies. These presentations also include discussions on risk management practices, particularly during reviews of the company's quarterly, half-yearly and annual financial results. In accordance with Part A of Schedule II of the SEBI Listing Regulations, the necessary information is made available to the Board for discussion at each meeting. Additionally, the Board regularly reviews compliance reports as required under Regulation 17(3) of the SEBI Listing Regulations.

Important decisions made at the Board or Committee meetings are promptly communicated to the relevant departments and functions. An action report outlining the decisions taken is presented at the next Board and Committee meeting for review and acknowledgment.

A minimum of four pre-scheduled Board meetings are held each year. Additional meetings may be convened as needed to address specific business requirements, with appropriate notice given. In cases of business exigencies or urgent matters, resolutions may also be passed by circulation.

In accordance to the Regulation 17 of the Listing Regulations and the Companies Act, 2013, the Board meets at least once each quarter, ensuring that the gap between any two meetings does not exceed 120 days. During the year under review, the Board held five meetings on 9 May 2025, 1 August 2025, 12 November 2025, 30 January 2026 and 11 March 2026.

In accordance with the Companies Act, 2013 and relevant rules, Directors are permitted to participate in Board and Committee meetings via video conferencing or other audio-visual means. This option is available except for meetings or agenda items that are not permitted to be transacted through such modes.

The details of attendance by Directors at the Board Meetings and the last Annual General Meeting (AGM) for the year ended 31 March 2026 are as follows:

Name of the Director	Number of Board meetings held during tenure	Number of Board meetings attended	Whether attended last AGM	Number of equity Shares held
Dr. Bhupendra Gandhi	5	5	Yes	397,989
Mr. Rajiv Gandhi	5	5	Yes	891,508
Mr. Sanjiv Gandhi	5	3	Yes	697,820
Ms. Priya Gandhi	5	5	Yes	-
Mr. Ravin Gandhi	5	-	-	403,320
Ms. Nina Gandhi*	5	2	Yes	696,340
Ms. Sandhya Patel	5	5	Yes	-
Mr. Ashok Bhadakal	5	5	Yes	-
Mr. Ameet Desai	5	4	No	-
Mr. Anil Jain	5	5	Yes	-
Mr. Jatin Trivedi	5	2	Yes	-

* Alternate Director to Mr. Ravin Gandhi, Non-executive Director

During the year, the Board of Directors accepted all recommendations from the Committees, particularly those that were statutory in nature, requiring Committee recommendation and Board approval. As a result, the Company has complied with the condition outlined in clause 10(j) of Schedule V of the SEBI Listing Regulations.

During the year under review, the Board of Directors reviewed various policies to ensure compliance with the recent amendments in the Companies Act, 2013, SEBI Regulations and other statutory requirements. All updated policies are available on the Company's website at <https://www.hester.in/corporate-governance>

Disclosure regarding appointment/re-appointment of Directors

The information required by Regulations 26 and 36(3) of the SEBI (LODR) Regulations, 2015, regarding the appointment/re-appointment of Directors of the Company is provided in the Notice for the ensuing Annual General Meeting.

Confirmation as regards independence of Independent Directors

In the opinion of the Board, all existing Independent Directors meet the criteria specified in the SEBI Listing Regulations and the Companies Act, 2013. They are independent of the management of the Company.

Directors Familiarisation Programme

At the time of appointment, an Independent Director is provided with a formal letter of appointment, which outlines the role, functions, duties and responsibilities expected of them as a Director of the Company. All Directors are kept informed and updated, as necessary, about their roles, responsibilities, liabilities and obligations under the Companies Act, 2013, the Rules made thereunder and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (amended time to time).

New Independent Directors undergo a comprehensive induction and familiarisation programme when they join the Board. This programme is exhaustive, covering the history, culture, background and growth of the Company, key milestones since the Company's incorporation, the current organisational structure and an overview of the businesses and functions. Details of the familiarisation programme are posted on the Company's website and any member may access it by visiting: <https://www.hester.in/corporate-governance>

Evaluation of Board of Directors

During the year, the performance of the Board was evaluated by the Independent Directors. The evaluation was based on various criteria, including the structure and diversity of the Board, the experience of Directors, strategy and performance evaluation, secretarial support, risk evaluation, performance of management and feedback, as well as the independence of the Board from the management.

The Nomination and Remuneration Committee also reviewed the performance of individual Directors based on criteria such as knowledge and competency, fulfilment of functions, availability and attendance, initiative, integrity, contribution and commitment, independence and the ability to provide independent views and judgement.

Additionally, the Board evaluated the performance of the Independent Directors (IDs), including their fulfilment of independence criteria as outlined in the Listing Regulations and their independence from the management. Directors who were subject to evaluation did not participate in the evaluation proceedings.

Code of Conduct

The Board has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company. The Code is available on the Company's website. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the CEO & Managing Director to this effect is included in this report. Additionally, the Board has adopted a separate Code of Conduct with respect to the duties of Independent Directors, as per the relevant provisions of the Companies Act, 2013.

COMMITTEES OF THE BOARD

The Committees of the Board play a crucial role in ensuring effective corporate governance practices. These Committees are formed to handle specific tasks and facilitate the timely resolution of various matters. Established with formal approval from the Board, the Committees carry out clearly defined responsibilities that are typically entrusted to Board members as part of good governance practices. The Board supervises the execution of the Committees' responsibilities and is ultimately accountable for their actions. Minutes of all Committee meetings are reviewed by the Board.

As of now, the Board has established the following Committees:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders' Grievances and Relationship Committee
- 4) Corporate Social Responsibility (CSR) Committee
- 5) Risk Management Committee
- 6) Management Committee

The terms of reference for each Board Committee are periodically determined by the Board. The Board is responsible for constituting, assigning and co-opting members to the Committees. Meetings of each Committee are convened by the respective Committee Chairperson.

AUDIT COMMITTEE

The Board has constituted an Audit Committee with the primary objective of monitoring and providing effective supervision of the Management's financial reporting process. This ensures accurate, timely and proper disclosures, promoting transparency, integrity and the quality of financial reporting.

Composition, meetings held and attendance at the meetings during the year

As of March 2026, the Audit Committee consists of three members, Mr. Ashok Bhadalkal as Chairperson and Ms. Sandhya Patel and Ms. Priya Gandhi as Members of the Committee. The composition of the Audit Committee meets the requirements set forth in Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

During the year under review, the Audit Committee meetings were held five times on 8 May 2025, 31 July 2025, 11 November 2025, 29 January 2026 and 11 March 2026. The time gap between any two meetings was less than 120 days.

During the year under review, the Audit Committee has reviewed unaudited and audited financial results for the quarter, half-yearly and annually; approved the accounts of the company; reviewed and approved related party transactions; and re-appointed internal auditors, secretarial auditors and cost auditors.

Details of attendance at the Audit Committee meetings during the year are as follows:

Name of the Member	Category	Number of meetings held during tenure	Number of meetings attended
Mr. Ashok Bhadalkal (Chairman)	Non-Executive/Independent	5	5
Ms. Sandhya Patel	Non-Executive/Independent	5	5
Ms. Priya Gandhi	Executive/ Non-Independent	5	5

All members of the Audit Committee possess the requisite qualifications for appointment on the committee and have sound knowledge of accounting practices, financial controls and internal control.

The Chairman of the Audit Committee has attended the 38th Annual General Meeting held on 13 August 2025.

Invitees at the Audit Committee Meetings

Representatives from the Statutory Auditor and Internal Auditors were regularly invited and attended all Audit Committee meetings held during the year. The Chief Financial Officer (CFO) was also invited to attend and participate in these meetings. Mr. Vinod Mali, the Company Secretary and Compliance Officer, serves as the Secretary to the Committee.

The Company continues to benefit from the deliberations of the Audit Committee, as the members possess extensive experience in areas such as finance, accounts, taxation, corporate laws and the industry. Their contributions ensure that the company maintains transparency, integrity, and high-quality financial control and reporting.

Terms of Reference

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - Matters requiring inclusion in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditors' independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors about any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. Management discussion and analysis of financial condition and results of operations;
22. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
23. Transactions done with promoter or promoter group holding 20% or more of Equity or Preference share capital will require prior approval of audit committee.
24. Review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments made.
25. Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in the listed entity.
26. Management letters / letters of internal control weaknesses issued by the statutory auditors;
27. Internal audit reports relating to internal control weaknesses; and
28. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
29. Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee ensures that it reviews all areas specified in its terms of reference. Each quarter, the Committee is provided with a summary of audit observations and the follow-up actions taken.

The Audit Committee periodically reviewed and noted all related party transactions. The majority of these transactions were between the Company and its subsidiaries/associates. All related party transactions were conducted in the ordinary course of business, on an arm's length basis, and in accordance with the Company's policy on related party transactions. Additionally, the Audit Committee granted omnibus approval for related party transactions that the Company proposed to enter for the financial year 2026-27.

In accordance with the Listing Regulations, only the Independent Directors participated in and approved the related party transactions.

NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has constituted a Nomination and Remuneration Committee (NRC).

The primary role of the Nomination and Remuneration Committee is to determine and recommend to the Board the Company's policies on remuneration packages for Executive and Non-Executive Directors. The Committee also recommends policies related to the nomination and appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

Composition, meetings held and attendance at the meetings during the year

As of March 2026, the Nomination and Remuneration Committee comprises three members, Mr. Ashok Bhadakal as Chairperson and Ms. Sandhya Patel and Mr. Sanjiv Gandhi as Members of the Committee. All members of the Committee are Non-Executive Directors. The composition of the Committee complies with the requirements of Regulation 19 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013.

During the year under review, the Nomination and Remuneration Committee held two meetings on 8 May 2025 and 29 January 2026. Details of attendance at the Nomination and Remuneration Committee meetings are as follows:

Name of the Member	Category	Number of meetings held during tenure	Number of meetings attended
Mr. Ashok Bhadakal (Chairman)	Non-Executive/Independent	2	2
Ms. Sandhya Patel	Non-Executive/Independent	2	2
Mr. Sanjiv Gandhi	Non-Executive/Non-Independent	2	1

The Board of Directors reviews the minutes of the Nomination and Remuneration Committee meetings at subsequent Board meetings. The Company Secretary serves as the Secretary to the Committee.

The Chairman of the Nomination and Remuneration Committee attended the 38th Annual General Meeting (AGM) held on 13 August 2025.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee (NRC) are specified in Clause A of Part D of Schedule II of the Listing Regulations, as outlined below:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an ID shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. To recommend/ review remuneration of the Managing Director(s) and Whole-time Director(s)/ Executive Director(s) based on their performance and defined assessment criteria.
8. To recommend to the board, all remuneration, in whatever form, payable to senior management.

Remuneration Policy and details of remuneration paid or payable to the Directors for the year ended 31 March 2026:

The Board of Directors approved the Nomination and Remuneration Policy based on the recommendations of the Nomination and Remuneration Committee. The terms of reference of the Committee are aligned with

the requirements of the Companies Act, 2013 and Regulation 19, along with Part D of Schedule II of the Listing Regulations. The key aspects of the Policy are outlined below:

i) Objectives:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board; and
3. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

ii) Remuneration to Non-Executive Directors:

Non-Executive Directors are paid a sitting fee of INR 0.05 million for attending meetings of the Board of Directors and the Audit Committee. For attending meetings of the Stakeholders' Grievances and Relationship Committee and Nomination and Remuneration Committee, they are paid INR 0.025 million. Reimbursement of expenses incurred for attending each meeting of the Board and its Committees is being paid on an actual basis. Typically, the sitting fees are paid immediately after the respective Board or Committee meetings to those who attended the meetings.

Details of the sitting fees paid to the Non-Executive Directors for the year 2025-26 are as follows:

(Amount in INR million)

Name of the Non-Executive Directors	Board Meetings	Audit Committee Meetings	NRC and SRC Committee Meetings	Total Amount
Dr. Bhupendra Gandhi	0.25	-	-	0.25
Mr. Sanjiv Gandhi	0.15	-	0.03	0.18
Ms. Nina Gandhi	0.15	-	-	0.15
Ms. Sandhya Patel	0.25	0.25	0.08	0.58
Mr. Ashok Bhadakal	0.25	0.25	0.05	0.55
Mr. Ameet Desai	0.15	-	-	0.15
Mr. Anil Jain	0.25	-	-	0.25
Mr. Jatin Trivedi	0.15	-	-	0.15
Total	1.60	0.50	0.16	2.26

Apart from the above, there are no materially significant related party transactions, pecuniary transactions, or relationships between the Company and its Directors, other than those disclosed in the financial statements for the financial year ended 31 March 2026.

iii) Remuneration to Executive Director:

Mr. Rajiv Gandhi serves as the CEO & Managing Director and Ms. Priya Gandhi serves as the Executive Director of the Company. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors determines and approves the remuneration payable to Mr. Rajiv Gandhi and Ms. Priya Gandhi, which has been approved by the shareholders of the Company through special resolutions.

The details of the remuneration paid to the Executive Directors during the financial year 2025-26 are as follows:

(Amount in INR million)

Sr.	Name of Director	Gross Salary	Commission	Total
1	Mr. Rajiv Gandhi	19.85	31.00	50.85
2	Ms. Priya Gandhi	10.08	-	10.08

The Company has entered into agreements with the Executive Directors for their respective employment term. Either party to the agreement is entitled to terminate it by providing written notice to the other party. The Board and the NRC have reviewed the performance of individual directors based on the criteria established by the Board/NRC.

iv) Remuneration to Senior Management:

The CEO & Managing Director and the Executive Director, with the help of the Human Resources Department, conduct individual performance reviews based on a standard appraisal matrix. This review

considers factors such as the appraisal scorecard, Key Performance Areas (KPA) versus initiatives, the balance between fixed and variable pay, fixed components, perquisites, retirement benefits, the criticality of roles and responsibilities, as well as industry benchmarks and current compensation trends. Additionally, any promotions within senior-level management are approved by the Management, following a predetermined process and after evaluating the candidate's ability to take on higher responsibilities.

v) Stock Option:

The Company does not have a stock option scheme for its Directors or employees. Additionally, there are no separate provisions for the payment of severance fees to the Directors.

STAKEHOLDERS' GRIEVANCES AND RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has formed a "Stakeholders' Grievances and Relationship Committee." This Committee has been constituted to specifically address various aspects of interest for shareholders, including requests or complaints related to the transfer of shares, dematerialisation of shares, non-receipt of annual accounts, non-receipt of dividends, revalidation of expired dividend warrants, address changes and nominations.

Composition, meetings held and attendance at the meetings during the year

As of 31 March 2026, the Stakeholders' Grievances and Relationship Committee comprises three members: Ms. Sandhya Patel as Chairperson, Ms. Priya Gandhi and Mr. Rajiv Gandhi as Members. The composition of the Committee meets all the requirements of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013.

During the year under review, Stakeholders' Grievances and Relationship Committee held one meeting on 8 May 2025. Details of attendance at the Stakeholders' Grievances and Relationship Committee meetings are as follows:

Name of the Member	Category	Number of meetings held during tenure	Number of meetings attended
Ms. Sandhya Patel (Chairperson)	Non-Executive/Independent	1	1
Mr. Rajiv Gandhi	Executive/Non-Independent	1	1
Ms. Priya Gandhi	Executive/Non-Independent	1	1

The Company Secretary serves as the Secretary to the Committee and is designated as the

Compliance Officer pursuant to Regulation 6 of the Listing Regulations. The Committee ensures that shareholder's and investor's grievances are addressed and resolved promptly.

The Chairman of the Stakeholder's Grievances and Relationship Committee has attended the 38th Annual General Meeting held on 13 August 2025.

Number of complaints

During the year under review, the Company received one complaint and had no unresolved complaints at the end of the year. The Company regularly reviews requests received from shareholders and the Registrar and Transfer Agent (RTA) and takes necessary steps to ensure that these requests are processed smoothly within the timelines laid down by SEBI.

Terms of Reference

The role of the Stakeholders' Grievances and Relationship Committee has been specified in Part D of the Schedule II of the Listing Regulations:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
5. Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee is entrusted with formulating and periodically reviewing the CSR Policy to ensure it comprehensively outlines the Company's CSR initiatives, as specified in Schedule VII of the Companies Act, 2013 and relevant Rules. The Committee also provides guidance and oversight on CSR activities undertaken by the Company and monitors their progress.

As of 31 March 2026, the CSR Committee comprises three members. Mr. Rajiv Gandhi is the Chairman of the Committee and Mr. Sanjiv Gandhi and Mr. Sandhya Patel as Members of the Committee. The composition

of the Committee is in full compliance with Section 135 of the Companies Act, 2013 and the applicable rules.

The Committee met twice during the year, on 7 May 2025 and 30 March 2026. Details of meetings attended by the members are as under:

Name of the Member	Category	Number of meetings held during tenure	Number of meetings attended
Mr. Rajiv Gandhi (Chairman)	Executive/Non-Independent	2	2
Mr. Sanjiv Gandhi	Non-Executive/Non-Independent	2	2
Ms. Sandhya Patel	Non-Executive/Independent	2	2

The CSR Policy, as recommended by the Committee, has been approved by the Board and is available on the Company's website. Further details regarding CSR composition, policy and projects are disclosed in the Board's Report.

RISK MANAGEMENT COMMITTEE

In accordance with Regulation 21 of the SEBI (LODR) Regulations, 2015, the Company has constituted a Risk Management Committee at the Board level. The Company has in place a robust risk management framework to identify, assess, monitor and mitigate various risks, while also recognising business opportunities. Risk assessment and management is an ongoing process embedded into the Company's operations.

Composition, meetings held and attendance at the meetings during the year

The Risk Management Committee comprises of three members. Mr. Rajiv Gandhi as Chairperson and Ms. Priya Gandhi and Ms. Sandhya Patel as Members of the Committee. The Company Secretary acts as the Secretary to the committee.

The Risk Management Committee met twice during the financial year, on 11 June 2025 and 18 December 2025. The details of attendance by the Committee members at these meetings are as follows:

Name of the Member	Category	Number of meetings held during tenure	Number of meetings attended
Mr. Rajiv Gandhi (Chairman)	Executive/Non-Independent	2	2
Ms. Priya Gandhi	Executive/Non-Independent	2	2
Ms. Sandhya Patel	Non-Executive/Independent	2	2

Terms of Reference

1. To formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by

the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- b) Measures for risk mitigation including systems and processes for internal control identified risks.
 - c) Business Continuity plan
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

MANAGEMENT COMMITTEE

As of 31 March 2026, the Management Committee comprises of three members. Mr. Rajiv Gandhi is the Chairman of the Committee, and Mr. Sanjiv Gandhi and Ms. Priya Gandhi as Members of the Committee.

The Management Committee oversees routine operational matters and business transactions of the Company. It exercises powers delegated by the Board and ensures all decisions/recommendations are placed before the Board for information and/or approval. The Company Secretary acts as Secretary to the Committee.

The Management Committee met two times during the financial year on 1 April 2025 and 1 September 2025. All the members of the Committee were present at each of these meetings.

INDEPENDENT DIRECTOR'S MEETING

Pursuant to and in compliance with Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors (IDs), without the presence of Non-Independent Directors or members of management, was held on 25 March 2026 under the chairmanship of Mr. Ashok Bhadalkal. During the meeting, the Independent Directors inter alia discussed the following:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

2. Evaluation of the performance of the Chairman of the Company, considering the views of the Executive and Non-Executive Directors;
3. Evaluation of the quality, content and timeliness of the flow of information between the Management and the Board that is necessary for effective and reasonable discharge of its duties.

All the Independent Directors were present at the meeting, except Mr. Anil Jain. The performance of the non-independent directors, the Board as a whole and the chairman of the Company was evaluated by the Independent Directors, considering the views of executive directors and non-executive directors.

SUBSIDIARY COMPANIES:

As on 31 March 2026, the Company has the following four subsidiary companies:

1. Hester Biosciences Nepal Private Limited
2. Hester Biosciences Africa Limited
3. Hester Biosciences Kenya Limited

In addition, the Company has one step-down subsidiary, namely, Hester Biosciences Tanzania Limited, which is a subsidiary of Hester Biosciences Kenya Limited.

During the year, Texas Lifesciences Private Limited ceased to be a subsidiary of the Company.

The Audit Committee of the Company reviews the financial statements and the investments made by all unlisted subsidiary companies. The minutes of the meetings of these subsidiary companies are periodically placed before the Board of Directors of the Company for their review and noting.

The Company has also formulated a Policy for Determining 'Material' Subsidiaries, in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy is available on the Company's website at:

<https://www.hester.in/corporate-governance>

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy (Vigil Mechanism). This policy is designed to enable employees to report any instance of fraud, mismanagement or leakage of unpublished price-sensitive information, as well as violations of applicable laws, rules and regulations or concerns regarding unethical conduct to the Audit Committee. No employee has been denied access to the Audit

Committee during the year under review. The policy ensures that strict confidentiality is maintained while dealing with concerns and that no discrimination is made against any person for a genuinely raised concern.

The Whistle Blower Policy is available on the Company's website at:

<https://www.hester.in/corporate-governance>

During the year under review, no complaints or concerns were received under the Whistle Blower Policy.

DIVIDEND DISTRIBUTION POLICY

In compliance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and implemented a Dividend Distribution Policy. This policy outlines the parameters and circumstances that the Board of Directors will consider when determining the distribution of dividends to shareholders, as well as the decision to retain profits earned by the Company.

The Dividend Distribution Policy is available on the Company's website at:

<https://www.hester.in/corporate-governance>

RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPTs) entered by the Company are in strict compliance with the applicable provisions of law, the Company's Policy on Materiality of and Dealing with Related Party Transactions (the Related Party Policy) and are approved by the Audit Committee, the Board of Directors and Shareholders, wherever applicable.

The details of material contracts and arrangements entered with related parties, in accordance with the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, are annexed as Annexure-2. Furthermore, the Related Party Transactions for the financial year 2025-26 have been disclosed in the Notes to the Financial Statements of the Company.

In accordance with Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company discloses its related party transactions to the stock exchanges in the prescribed format. These disclosures are also available on the Company's website.

The Company has an established Related Party Transaction Policy, which is uploaded on the website at: <https://www.hester.in/corporate-governance>

TRANSFER OF UNCLAIMED / UNPAID DIVIDEND AMOUNT AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (“IEPF”)

In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 (“the Act”) read with the Rules made thereunder, dividends that remain unclaimed for a period of seven consecutive years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund (IEPF).

Additionally, the shares on which dividends remain unclaimed for seven consecutive years or more, from the date of transfer to the Unpaid Dividend Account, are also subject to transfer to the IEPF. This requirement does not apply to shares with a specific order from a court, tribunal, or statutory authority restraining the transfer.

To protect the interests of our members, the Company issued reminders to shareholders urging them to claim their dividends and/or shares before the due date for transfer to IEPF. A notice was also published in the newspapers, and the details of unclaimed dividends and shares subject to transfer to IEPF have been uploaded on the Company’s website.

During the year under review, in compliance with the provisions of the Act and Rules made thereunder, the Company has transferred:

1. 5,449 equity shares of 31 (Thirty One) members whose dividend has remained unclaimed / unpaid for a consecutive period of seven years to IEPF.
2. INR 0.90 million, being the unclaimed dividend, pertaining to the dividend for the financial year 2017-18 (Final) and financial year 2018-19 (1st and 2nd Interim) was transferred to IEPF after giving notice to the members to claim their unpaid / unclaimed dividend.

As of 31 March 2026, 87,141 (Eighty Seven Thousand One Hundred Forty One only) equity shares were lying with IEPF.

For all unclaimed dividends up to the Financial Year 2018-19 (2nd Interim), shareholders can claim the amounts by submitting Form No. IEPF-5 online and sending the form to the Nodal Officer of the Company at its Registered Office along with the necessary documents. The IEPF Authority will process the claims based on the e-verification and supporting documents.

We urge all members to claim dividends lying in the respective unclaimed dividend accounts for the financial years 2018-19 (Final) to 2024-25 by applying to the Company or our Registrar and Transfer Agent, along with KYC documents.

The details of dividend declaration dates and the due dates for transfer to IEPF are included in the Notice convening the Thirty-Ninth AGM.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (‘BRSR’)

Pursuant to Regulation 34 and Schedule V of the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) for the financial year ended 31 March 2026 has been published and uploaded on the Company’s website. The report can be accessed at the following link:

www.hester.in/shareholders/reports-certificates

The BRSR provides detailed disclosures on various initiatives undertaken by the Company with respect to Environmental, Social and Governance (ESG) aspects, reflecting our commitment to sustainability and responsible business practices.

OTHER DISCLOSURES

1. In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Indian Accounting Standards.
2. The Company has complied with all the mandatory requirements of the Listing Regulations with the Stock Exchanges, regulations and guidelines of the SEBI. Further, during last three years, no penalties or strictures are imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.
3. The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on 31 March 2026 in compliance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations was placed before the Board of the Company and the certificate is part of this report.
4. As per the disclosures received from senior management, no material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the year under report.
5. The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel in Compliance with Part-D under Schedule V of Listing Regulations. The Code of Conduct is available on the website of the Company: All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended on 31 March 2026 under review.

in relation to imports, foreign currency loans, project imports and other foreign currency transactions. To manage such risks, the Company has developed a comprehensive framework under the Risk Management Policy, as approved by the Board of Directors. This policy aims to manage both short-term and long-term foreign exchange risks in a manner that aligns with the Company's objectives. The policy's primary goal is to mitigate the currency risk associated with foreign currency payables and receivables. By doing so, the Company aims to safeguard its operating margin and ensure greater predictability in earnings. Risk management activities are carried out under the direction and control of management, ensuring that the policy's objectives are effectively implemented.

MEANS OF COMMUNICATION

1. The Company has 12,373 shareholders as on 31 March 2026. The main channel of communication to shareholders is through quarterly press releases, investor calls and Annual Report, which includes inter-alia, the Board's Report, Management Discussion and Analysis, Report on Corporate Governance and Audited Financial Statements.
2. The Annual General Meeting is a platform for face-to-face communication with the shareholders, where the Chairman makes presentation on the performance, operating and financial results of the Company. The Chairman and other Key Managerial Personnel also respond to the specific queries of the shareholders.
3. The Company intimates to the Stock Exchanges all price sensitive matters which in its opinion are material and of relevance to the members and subsequently issues a Press Release on such matters, wherever necessary.
4. The quarterly, half yearly and annual financial results are sent to Stock Exchanges and published in "Financial Express", in English and Gujarati Editions. Simultaneously, they are also put on the Company's website and can be accessed at: www.hester.in and the same are sent individually to the members.
5. The company's results and official news releases and media releases are sent to stock exchanges and are put on the Company's website (www.hester.in). Detailed presentations are made to institutional investors and financial analysts on the Company's quarterly, half yearly and annual financial results. These presentations and schedule of analyst or institutional investors meet or call are also put on the Company's website and the transcripts of the call can be accessed at www.hester.in as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in meeting / presentation with institutional investors and financial analysts.
6. The Company's website (www.hester.in) contains a separate dedicated section 'Investor Relations' where information are available.
7. The Annual Report containing, inter alia, Audited Financial Statements, Audited Consolidated Financial Statements, Board's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. The Company's Annual Report is also available on the Company's website and can be accessed at www.hester.in
8. The Company disseminates the requisite corporate announcements including the SEBI Listing Regulation compliances through NSE Electronic Application Processing System (NEAPS) / BSE Corporate Compliance & Listing Centre. The NEAPS/ BSE's Listing Centre is a web-based application and periodical fillings like shareholding pattern, corporate governance report, financial results, material / price sensitive information, etc. are filed electronically on such designated platforms.
9. The investor complaints received through SEBI Complaints Redress System (SCORES) and SEBI Smart ODR platform these are the centralised web-based complaints redressal system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its status.
10. The Company has designated the following email-id exclusively for investor servicing: cs@hester.in, for queries on share transfer, transmission, bonus shares, dividend, KYC, Demat etc.

GENERAL MEETINGS

1. Details of last three Annual General Meetings held are provided hereunder

Financial Year	Meeting Date and Time	Venue
2022-23	36 th AGM on 20 September 2023 at 10:30 a.m. (IST)	Through Video Conferencing (VC) /Other Audio-Visual Means (OVAM)
2023-24	37 th AGM on 29 August 2024 at 10:30 a.m. (IST)	
2024-25	38 th AGM on 13 August 2025 at 10:30 a.m. (IST)	

2. Special Resolutions passed in the previous three Annual General Meeting

The shareholders of the Company have passed the following special resolutions in the previous three Annual General Meetings:

Sr.	Nature of Special Resolutions passed	Relevant provisions of the Companies Act	AGM details
1	Appointment of Mr. Anil Jain (DIN: 00805735) as an Independent Director	Sections 149, 152 and other applicable Sections of Companies Act, 2013	36 th AGM held on 20 September 2023
2	Appointment of Mr. Jatin Trivedi (DIN: 01618245) as an Independent Director		
3	Revision in remuneration of Ms. Priya Gandhi (DIN: 06998979) Executive Director (Whole-time) of the Company	Sections 196, 197, 198, 203 and other applicable Sections of Companies Act, 2013	37 th AGM on 29 August 2024

The special resolutions indicated above were passed with requisite majority.

3. Approval of Members through Postal Ballot

During the year, members of the Company approved the special resolution of re-appointment of Mr. Rajiv Gandhi as CEO & Managing Director for the period of three years with effect from 1 April 2026, as stated in the below table by requisite majority, by means of Postal Ballot through electronics voting (e-voting). The Postal Ballot Notice dated 30 January 2026 was sent in electronic form to all members on their email addresses registered with the Company/ respective Depository Participants.

The Company had published a notice in the newspaper on 5 February 2026 in Financial Express (English and Gujarati Editions) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard - 2. The remote e-voting period commenced from Sunday, 8 February 2026 at 9:00 a.m. (IST) and ended on Monday, 9 March 2026 at 5:00 p.m. (IST) (both days inclusive). The voting rights of members were reckoned on the paid-up value of shares registered in the name of member/ beneficial owner (in case of electronic shareholding) as on Friday, 30 January 2026.

The Board of Directors had appointed Mr. Tapan Shah, a Practicing Company Secretary, as a Scrutiniser to ensure that the Postal Ballot process is conducted in a fair and transparent manner and had engaged the services of Central Depository Services (India) Limited (CDSL) as an agency for the purpose of providing e-voting facility. Mr. Tapan Shah, Scrutiniser, had submitted his report on the Postal Ballot to the CEO & Managing Director and the resolutions were approved on Monday, 9 March 2026.

The details of the e-voting pattern are given below:

Special Resolution passed through Postal Ballot	Votes in favour of the resolution (%)	Votes against the resolution (%)
Re-appointment of Mr. Rajiv Gandhi as CEO & Managing Director	99.54%	0.46%

GENERAL SHAREHOLDER'S INFORMATION

1. Company Registration details

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L99999GJ1987PLC022333.

2. Registered Office of the Company

Village - Meda Adraj, Taluka - Kadi, District - Mehsana, Gujarat 384441, India

3. 39th Annual General Meeting

Day, Date and Time: Tuesday, 21 July 2026 at 10:30 AM (IST)

Mode of AGM/ Venue: Through Video Conferencing Mode / Other Audio Visuals Means

4. Tentative Financial Calendar

First quarter financial results	On or before 14 August 2026
Half yearly financial results	On or before 14 November 2026
Third quarter financial results	On or before 14 February 2027
Audited financial results for the year 2026-27	On or before 30 May 2027

The trading window closure for the financial results shall be from the first day from the closure of quarter till the completion of 48 (forty-eight) hours after the financial results become generally available.

5. Listing of Equity Shares on Stock Exchanges

The Company's shares are listed and traded on the BSE Limited (BSE) at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 and The National Stock Exchange of India Limited (NSE) at Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051. Annual listing fee for the financial year 2025-26 has been paid by the Company to BSE and NSE.

6. Payment of Depositories Fee

Annual Custody/ Issuer fee for the financial year 2025-26 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).

7. Details of Shares:

Types of Shares	:	Equity Shares
No. of Paid Up Shares	:	8,506,865
Security Code (ISIN)	:	INE782E01017

8. Dematerialisation of Shares and liquidity

The Company's shares are compulsorily traded in dematerialised form. Equity shares of the Company representing 99.33% of the Company's share capital are dematerialised as on 31 March 2026.

The Company's shares are regularly traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'. International Securities Identification Number (ISIN) for dematerialisation of the equity shares of the Company is INE782E01017.

9. Distribution of Shareholding as on 31 March 2026

a) On the basis of shares held (Folio-wise details):

Number of Equity Shares Held (Range)	Number of Shareholders	Percentage of Total Shareholders	Number of Shares held	Percentage to Total Shares Held
1 to 500	12,040	95.09	681,999	8.02
501 to 1000	299	2.36	218,058	2.56
1001 to 2000	120	0.95	175,454	2.06
2001 to 3000	43	0.34	105,661	1.24
3001 to 4000	34	0.27	117,984	1.39
4001 to 5000	15	0.12	69,711	0.82
5001 to 10000	39	0.31	263,302	3.10
Above 10001	72	0.57	6,874,696	80.81
Total	12,662	100.00	8,506,865	100.00

b) On the basis of category:

Sr.	Description	Number of Shares	Percentage
1	Promoters and Promoter's Group	4,570,944	53.73
2	Resident Individual	2,831,768	33.29
3	Non-Resident Individual	461,185	5.42
4	Hindu Undivided Family	214,836	2.53
5	Domestic Companies and LLPs	210,029	2.47
6	Investors Education and Protection Fund (IEPF)	87,141	1.02
7	Foreign Portfolio Investor	32,134	0.38
8	Unclaimed Shares	2,250	0.03
9	Clearing Members and others	96,578	1.14
	Total	8,506,865	100.00

10. Reconciliation of Share Capital Audit

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate has also been obtained from a Practicing Company Secretary for timely dematerialisation of the shares of the Company and for conducting Audit on a quarterly basis for reconciliation of the share capital of the Company under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018. The Company files copy of these certificates with the stock exchange, as required.

Accordingly, to avail benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

11. Nomination Facility

Nomination is in the interest of the shareholders to appoint a nominee for their investments in the Company. Those members who are holding shares in the physical mode and have not appointed a nominee or want to change the nomination are requested to send us the nomination form duly filled in and signed by all the joint holders.

12. Change in shareholder's details

The holding of shareholders in dematerialised form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialisation of your share certificates or other inquiries should be addressed to your DP where you have opened your dematerialised account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our registrar and transfer agent of the Company, MUFG Intime India Private Limited, as per the address mentioned below.

13. Locations of the Company's Manufacturing Plant

The details of the locations of the plants of the Company are mentioned on the corporate information page of the Annual Report.

14. Registrar and Share Transfer Agent

MUFG Intime India Private Limited (MUFG) is acting as Registrar & Share Transfer Agent of the Company. For lodgement of transfer deeds and other documents or any grievances/complaints, investors may contact the Company's Registrar and Share Transfer Agent at the following address:

MUFG Intime India Private Limited

Unit: Hester Biosciences Limited
506-508, Amarnath Business Centre-1 (ABC-1),
Besides Gala Business Centre, Near St. Xavier's College Corner,
Off C G Road, Elliesbridge, Ahmedabad 380006
Phone: +91 79 26465179/86/87
E-mail: ahmedabad@in.mpms.mufg.com

15. Address for Correspondence

Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at the address mentioned above.

Shareholders may also contact the Company Secretary, at the Registered Office of the Company for any assistance:

Mr. Vinod Mali

Company Secretary & Compliance Officer
Phone: +91 7926445107
E-mail ID: cs@hester.in

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository participants.

16. Details of non-compliance

There was no non-compliance during the financial year ended 31 March 2026 and no penalties were imposed or strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority.

A practicing company secretary has certified the compliance of the conditions of Corporate Governance and annexed the certificate with the Board's Report and sent the same to all the members of the Company. The certificate shall also be sent to stock exchanges along with the annual report to be filed by the Company.

17. Outstanding GDRs/ ADRs/Warrants, its conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.

18. Non-Mandatory Requirements of regulation 27 (1) & Part E of Schedule II of the SEBI (LODR) Regulations, 2015

- a) Dr. Bhupendra Gandhi is acting as the Chairman of the Company and Mr. Rajiv Gandhi acting as CEO & Managing Director of the Company.
- b) The Company has a Non-Executive Chairman and is entitled to maintain its office at the Company's expense.
- c) Quarterly/half-yearly/ annual financial results are being sent to shareholders, whose emails are registered with the Company. However, financial results are published in the leading newspapers and are also available on the Company's website: www.hester.in
- d) The Company's financial statements for the financial year ended on 31 March 2026 do not contain any audit qualification. The auditors' report on financial statements of the Company are with unmodified opinion.
- e) The internal auditors report to the Audit Committee and they make quarterly presentations on their reports.

CERTIFICATE OF CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To,
Board of Directors
Hester Biosciences Limited

As required under Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) read with Schedule II part B of the Listing Regulations, we hereby certify that:

1. We have reviewed the Balance Sheet and Profit and Loss account, its schedule and notes to the accounts and cash flow statements for the year ended 31 March 2026 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - a. there are no significant changes in internal controls over financial reporting during the year;
 - b. there are no significant changes in accounting policies during the year; and
 - c. there are no instances of significant fraud of which we have become aware.

Rajiv Gandhi
CEO & Managing Director

Ashish Desai
Chief Financial Officer

Date 15 May 2026
Place Kadi, Mehsana

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L99999GJ1987PLC022333

Nominal Capital: INR 112,000,000

To,
The Members of
HESTER BIOSCIENCES LIMITED
CIN: L99999GJ1987PLC022333

I have examined the compliance of conditions of corporate governance by Hester Biosciences Limited, for the year ended on 31 March 2026 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has generally complied with the mandatory conditions as stipulated in above mentioned Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Name of Company Secretary in practice: **Tapan Shah**
Membership No. : **FCS4476**
C P No. : **2839**
PR No. : **6457/2025**
UDIN: **F004476H000331473**

Date 15 May 2026
Place Ahmedabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
HESTER BIOSCIENCES LIMITED
Village - Meda Adraj, Taluka - Kadi,
District - Mehsana, Gujarat 384441

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hester Biosciences Limited, having CIN: L99999GJ1987PLC022333 and having registered office at Village - Meda Adraj, Taluka - Kadi, District - Mehsana, Gujarat 384441 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr.	Name of Director	DIN	Date of appointment in Company*
1	Dr. Bhupendra Vithaldas Gandhi	00437907	21 April 2005
2	Rajiv Dinesh Gandhi	00438037	29 April 1987
3	Sanjiv Dinesh Gandhi	00024548	29 April 1987
4	Ravin Kanti Gandhi	00438361	22 April 1999
5	Nina Rajiv Gandhi [#]	00024657	7 May 2016
6	Priya Rajiv Gandhi	06998979	28 October 2021
7	Sandhya Maulik Patel	02215022	1 April 2020
8	Ashok Bhimrao Bhadalkal	00981201	1 April 2020
9	Ameetkumar Hiranyakumar Desai	00007116	28 October 2021
10	Anil Jain	00805735	26 June 2023
11	Jatin Yagneshbhai Trivedi	01618245	26 June 2023


* Date of appointment is as per the MCA portal

[#] Appointed as an Alternate Director for Mr. Ravin Gandhi

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

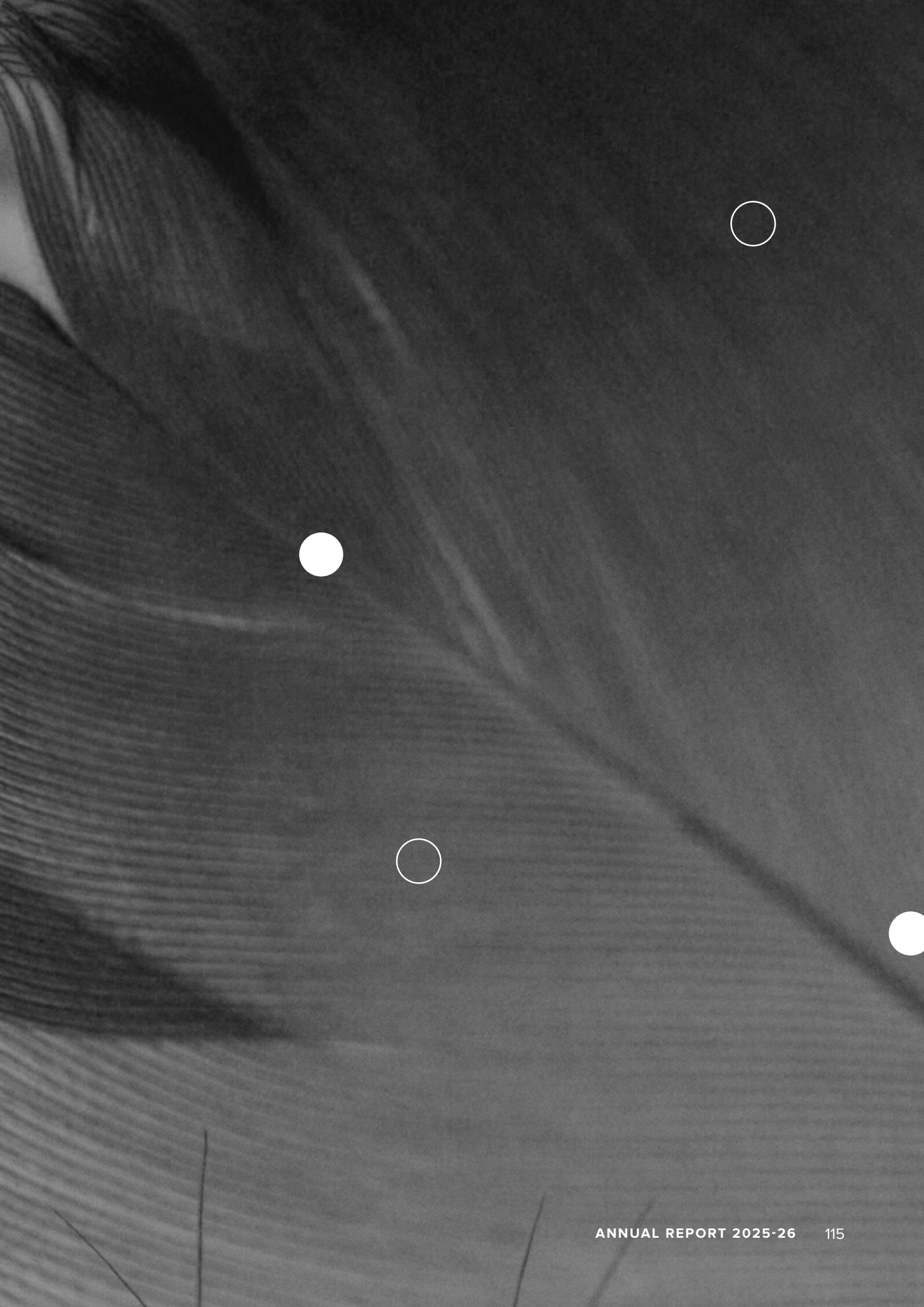
Name of Company Secretary in practice: **Tapan Shah**
Membership No. : **FCS4476**
C P No. : **2839**
PR No. : **6457/2025**
UDIN: **F004476H000331517**

Date 15 May 2026
Place Ahmedabad



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FINANCIAL
STATEMENTS





INDEPENDENT AUDITOR'S REPORT

To the Members of
Hester Biosciences Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Hester Biosciences Limited (the 'Company') which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sr. No.	Key Audit Matters	Auditor's Response
1	<p data-bbox="233 219 584 237">Carrying Value of Trade Receivables</p> <p data-bbox="233 255 584 383">The Company has Trade Receivables of carrying value INR 920.40 million net of allowance for expected credit loss which constitutes about 17% of the total assets of the company.</p> <p data-bbox="233 423 584 573">We have considered the Trade Receivables as a key audit matter as the ascertainment of allowance for expected credit loss of trade receivables require significant management judgement.</p>	<p data-bbox="624 255 1038 277">Our audit procedures included the following:</p> <ul data-bbox="624 293 1442 891" style="list-style-type: none"> <li data-bbox="624 293 1442 360">• We have understood and tested the design and operating effectiveness of controls established by the management in determining recoverability of trade receivables. <li data-bbox="624 376 1442 443">• Performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. <li data-bbox="624 459 1442 555">• Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for Impairment of trade receivables, by analysing the ageing of receivables, assessing significant overdue trade receivables. <li data-bbox="624 571 1442 689">• Tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the trade with the customers, invoices raised, etc., as a part of our audit procedures. Furthermore, we assessed the adequacy and appropriateness of the disclosures in the financial statements. <li data-bbox="624 705 1442 772">• Discussed with the management any disputes between the parties involved, attempts by management to recover the outstanding amounts and the credit status of significant counterparties available. <li data-bbox="624 788 1442 855">• In assessing the appropriateness of the overall provision for expected credit losses, we considered management's policy for recognising provisions and compared the Company's provisioning against Simplified Approach of ECL. <li data-bbox="624 871 1442 891">• Considered the completeness and accuracy of the disclosures.
2	<p data-bbox="233 909 584 927">Valuation of Inventories</p> <p data-bbox="233 945 584 1122">The Company has an Inventory carrying value INR 599.82 million, which is around 20.65 % of its revenue from operations, including Raw Materials, Packing Material, Work in progress, Finished Goods and Traded Goods.</p> <p data-bbox="233 1162 584 1541">We have considered the valuation of inventories as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors in determination of inventory value. The inventory valuation of the company involves complex procedures estimating the costs incurred, overheads applied and identification for slow moving, expired and obsolete inventory and ascertainment of net realisable value.</p>	<p data-bbox="624 945 1038 967">Our audit procedures included the following:</p> <ul data-bbox="624 983 1442 1541" style="list-style-type: none"> <li data-bbox="624 983 1442 1050">• We understood and tested the design and operating effectiveness of controls as established by the management in determination of valuation of inventory. <li data-bbox="624 1066 1442 1133">• Assessing the appropriateness of the Company's accounting policy for valuation of inventories and its compliance with the requirements of the prevailing accounting standards. <li data-bbox="624 1149 1442 1216">• Various factors considered including the estimation of costs, overheads incurred, actual selling prices prevailing around and after the year-end. <li data-bbox="624 1232 1442 1299">• Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value. <li data-bbox="624 1314 1442 1382">• Considered the process of periodical physical verification of inventory carried out by the management. <li data-bbox="624 1397 1442 1464">• Evaluated the design and operating effectiveness of controls as established by the management in determination of slow moving, products banned by government, expired and obsolete inventory. <li data-bbox="624 1480 1442 1547">• Assessed the completeness and accuracy of the disclosures made in accordance with IND AS 2 ("Inventories"). <li data-bbox="624 1563 1442 1630">• Attended the physical inventory counts at selected locations, observing count procedures, performing test counts, evaluating management's inventory instructions and obtaining confirmations from third parties where applicable.

Information Other than the Standalone 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 Management Discussion & Analysis but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and 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 judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate,

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the

Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books, SOC Type I & II report and other records and details provided to us.

- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, specified under section 133 of the Act.
- e. On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanation given to us by the management, the remuneration paid/ provided during the Current Year by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act.

- B. 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:
 - a. The Company has no pending litigations having any material impact on its financial position in its financial statements except as stated in note 33 of the standalone financial statements;

- b. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d. i. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ii. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, 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.
- iii. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard 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 (d) (i) and (ii) above, contain any material misstatement.
- e. i. The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- ii. The Board of Directors of the Company has proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- f. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, we report that –
- The company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and based on the SOC Type I & II report for such software provided to us, it can be derived that the audit trail has 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. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For, Chandulal M. Shah & Co.

Chartered Accountants
FRN 101698W

Irshad I. Mansuri
Partner
M. No. 135475
UDIN: 26135475IZJEMZ1459

Date 15 May 2026
Place Ahmedabad

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HESTER BIOSCIENCES LIMITED

Referred to in paragraph 1 on 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone financial statements of the Company for the year ended 31 March 2026:

1. A. a. The Company is maintaining 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 Property, Plant and Equipment were physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- C. The title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) as disclosed in the financial statements are held in the name of the Company.
- D. The Company has not revalued its Property, Plant and Equipment and its intangible assets during the year.
- E. No proceedings have been initiated during the year or are pending against the Company as on 31 March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. A. Inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion and according to 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

inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and dispatch inventory records.

- B. The Company has been sanctioned working capital limits in excess of INR 50 million, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements filed by the Company with such banks are materially in agreement with the reviewed/audited books of accounts of the Company of the respective quarters and no material discrepancies have been observed.
3. A. According to the information explanation provided to us, the Company has made investments, provided loans, or provided advances in the nature of loans, or given guarantee, or provided security to any other entity.

The details of such loans or advances and guarantees or security to subsidiaries, Joint Ventures & Others are as follows:

(Amount in INR million)

Particulars	Guarantees
Aggregate amount granted/provided during the year	
Subsidiaries	-
Balance Outstanding as at balance sheet date	
Subsidiaries	1,327.69

- B. In our opinion, the terms and conditions of the grant of all the loans given and investments made and guarantees given, during the year are prima facie, not prejudicial to the interest of the Company.
- C. In case of loans, a schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest thereon.

- D. There are no amounts overdue for more than ninety days in respect of the loans granted to the other parties.
- E. According to the information and explanations provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- F. According to the information and explanations provided to us, the Company has not any granted loans and / or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under.
6. The Central Government has prescribed maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7. In respect of statutory dues:
- A. The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess, and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above statutory dues were in arrears as at 31 March 2026, for a period of more than six months from the date on when they become payable.
- B. According to the information and explanations given to us, there are no material dues of Income Tax, Goods and Service Tax and Customs Duty which have not been deposited with the appropriate authorities on account of any dispute, except as follows:

Name of the statute	Nature of dues	Amount (INR in million)	Years to which matter pertains	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.10	A.Y. 2015-16	Commissioner of Income Tax (Appeals)
Goods and Service Act, 2017	Goods and Service Tax	0.29	A.Y. 2017-18	Appellate Authority
Goods and Service Act, 2017	Goods and Service Tax	1.80	A.Y. 2018-19	Appellate Authority
Goods and Service Act, 2017	Goods and Service Tax	1.93	A.Y. 2019-20	Appellate Authority
Goods and Service Act, 2017	Goods and Service Tax	2.15	A.Y. 2020-21	Appellate Authority
Goods and Service Act, 2017	Goods and Service Tax	29.03	A.Y. 2018-19 to 2022-23	Appellate Authority
Goods and Service Act, 2017	Goods and Service Tax	2.84	A.Y. 2021-22	Appellate Authority

8. According to the information and explanations given to us, there are no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
9. A. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any loans or borrowings from financial institutions, Government, and debenture holders.
- B. According to the information and explanations given to us and on the basis of our audit procedures, we report that 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 explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- D. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- E. According to the information and explanations given to us and on an overall examination of the standalone financial statement of the company, we report that the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint ventures.
- F. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held of its subsidiaries and joint ventures.
10. A. According to the information and explanations given to us and procedures performed by us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause x(a) of the Order is not applicable.
- B. According to the information and explanations given to us and procedures performed by us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible) during the year under review and hence reporting under clause x(b) of the Order is not applicable.
11. A. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.
- 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 up to the date of this report.
- C. As represented to us by the Management, there were no whistle blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of 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.
14. A. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- B. We have considered the internal audit reports for the year under audit issued to the Company during the year and till date.
15. In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with its directors during the year. Hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
16. A. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the reporting under clause 3 (xvi)(a) of the Order is not applicable to the Company.
- B. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
- C. The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

- D. The Company does not have any CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
18. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
20. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

For, Chandulal M. Shah & Co.

Chartered Accountants
FRN 101698W

Irshad I. Mansuri

Partner
M. No. 135475
UDIN: 26135475IZJEMZ1459

Date 15 May 2026
Place Ahmedabad

ANNEXURE B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HESTER BIOSCIENCES LIMITED

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

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements and, both issued by the Institute of Chartered Accountants of India. Those Standards on Auditing 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 standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's Judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company, and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to standalone financial statements and such internal financial controls were operating effectively as on 31 March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

For, Chandulal M. Shah & Co.

Chartered Accountants
FRN 101698W

Irshad I. Mansuri

Partner
M. No. 135475
UDIN: 26135475IZJEMZ1459

Date 15 May 2026
Place Ahmedabad

STANDALONE BALANCE SHEET

AS AT 31 MARCH 2026

(All amounts are in INR Million, unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	2,876.13	1,048.33
(b) Capital Work-in-Progress	3	-	1,766.72
(c) Other Intangible Assets	4	3.95	6.28
(d) Intangible Assets under Development	4	93.27	60.29
(e) Financial Assets			
(i) Investments	5	642.82	646.89
(ii) Other Financial Assets	7	22.54	53.86
(f) Other Non-current Assets	8	37.11	25.24
Total Non-current Assets		3,675.82	3,607.61
Current assets			
(a) Inventories	9	599.82	585.10
(b) Financial Assets			
(i) Trade Receivables	10	920.40	805.95
(ii) Cash and Cash Equivalents	11	7.90	5.45
(iii) Bank Balances other than (ii) above	12	37.71	16.32
(iv) Loans	6	1.07	56.95
(v) Other Financial Assets	7	194.56	195.24
(c) Other Current Assets	8	136.18	187.34
Total Current Assets		1,897.64	1,852.35
Total Assets		5,573.46	5,459.96
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	13	85.07	85.07
(b) Other equity	14	3,766.75	3,305.80
Total Equity		3,851.82	3,390.87
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	216.83	513.12
(ii) Lease Liability	18	2.31	-
(iii) Other Financial Liabilities	16	10.22	7.83
(b) Provisions	17	23.36	23.79
(c) Deferred Tax Liabilities (Net)	31	88.49	57.33
(d) Other Non-Current Liabilities	19	461.25	500.00
Total Non-current Liabilities		802.46	1,102.07
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	527.89	529.55
(ii) Lease Liability	18	0.52	-
(iii) Trade Payables	21		
- Total outstanding dues of micro enterprises and small enterprises		64.00	98.31
- Total outstanding dues of creditors other than micro enterprises and small enterprises		141.62	227.02
(iv) Other Financial Liabilities	16	43.52	48.20
(b) Other Current Liabilities	19	79.00	17.22
(c) Provisions	17	15.29	9.24
(d) Current Tax Liabilities	22	47.34	37.48
Total Current Liabilities		919.18	967.02
Total Liabilities		1,721.64	2,069.09
Total Equity and Liabilities		5,573.46	5,459.96

The accompanying notes are an integral part of the Standalone Financial Statements.

In terms of our report attached
For Chandulal M. Shah & Co.
 Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri

Partner **Date** 15 May 2026
 Membership No.: 135475 **Place** Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
 CEO & Managing Director
 DIN: 00438037

Priya Gandhi
 Executive Director
 DIN: 06998979

Ashish Desai
 Chief Financial Officer

Vinod Mali **Date** 15 May 2026
 Company Secretary **Place** Kadi, Mehsana

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2026

(All amounts are in INR Million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Income			
Revenue from operations	23	2,921.36	2,864.66
Other income	24	76.35	47.64
Total Income		2,997.71	2,912.30
Expenses			
Cost of raw material and components consumed	25	462.23	388.58
Purchase of stock-in-trade	26	394.38	448.37
Changes in inventories of finished goods, traded goods and work-in-progress	27	(36.93)	99.65
Employee benefits expense	28	531.74	547.63
Finance cost	29	71.69	53.67
Depreciation and amortisation expense		102.52	85.81
Other expenses	30	845.22	870.99
Total Expenses		2,370.85	2,494.70
Profit before exceptional items and tax		626.86	417.60
Exceptional items	24.1	69.96	-
Profit before tax		696.82	417.60
Tax expense:	31		
Current tax		144.64	118.08
Tax adjustment of earlier years		0.02	(5.38)
Deferred tax		31.16	(13.52)
Total tax expense		175.82	99.18
Profit after tax		521.00	318.42
Other Comprehensive Income			
Items that will not to be reclassified to profit or loss			
Remeasurement (loss)/gain of defined benefit plans		(0.67)	(4.85)
Income Tax Effect		0.17	1.22
Total Other Comprehensive Income		(0.50)	(3.63)
Total Comprehensive Income		520.50	314.79
Earnings Per Equity Share (EPS)			
Basic and Diluted (Face Value INR 10 Per Share) (INR)	35	61.24	37.43

The accompanying notes are an integral part of the Standalone Financial Statements.

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri

Partner **Date** 15 May 2026
Membership No.: 135475 **Place** Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Ashish Desai
Chief Financial Officer

Vinod Mali
Company Secretary

Date 15 May 2026
Place Kadi, Mehsana

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

(All amounts are in INR Million, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
A. Cash Flow from operating activities		
Profit Before Tax	696.82	417.60
Adjustments for:		
Depreciation and amortisation Expense	102.52	85.81
Amortisation of government grant	(2.98)	-
Provision for doubtful debt	31.35	44.12
Bad debts written off	34.96	-
Loss on sale of property, plant and equipment	2.04	4.86
Gain on sale of investment in subsidiary	(69.96)	-
Net gain on assets measured at fair value through profit or loss	(17.57)	-
Liabilities no longer required written back (net)	-	(0.99)
Interest expense	67.10	50.89
Interest on lease liability	0.18	-
Unrealised foreign exchange gain	(9.54)	(6.11)
Interest income	(15.79)	(20.37)
Operating profit before working capital changes	819.13	575.81
Adjustments for:		
Trade receivables	(171.21)	13.91
Inventories	(14.72)	100.16
Other assets	49.15	23.19
Trade payables	(119.71)	29.38
Other current liabilities	26.01	2.09
Provisions	4.95	(1.08)
Loans	0.88	(0.08)
Other financial liability	22.38	2.34
Other financial assets	27.28	(6.79)
Cash Generated from Operations	644.14	738.93
Income tax paid (net)	(134.94)	(99.22)
Net cash generated from operating activities (A)	509.20	639.71
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment, including capital advances and capital work-in-progress and on intangible assets	(173.24)	(206.29)
Proceeds from sale of property, plant and equipment	3.92	2.74
Loans given received back	55.00	-
Interest received	20.31	8.26
Proceeds from sale of subsidiary	79.60	-
(Decrease)/Increase in other bank balances	(9.19)	4.89
Net cash used in investing activities (B)	(23.61)	(190.40)

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

(All amounts are in INR Million, unless otherwise stated)

C. Cash flow from financing activities		
Repayment of long term borrowings	(305.60)	(275.14)
Repayment of short-term borrowings (net)	(43.36)	(11.48)
Payment of principal portion of lease liabilities	(0.58)	-
Interest paid	(73.34)	(125.22)
Dividend paid	(60.26)	(51.68)
Net cash used in financing activities (C)	(483.14)	(463.52)
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	2.45	(14.21)
Cash and cash equivalents at the beginning of the year	5.45	19.66
Cash and cash equivalents at the end of the year	7.90	5.45
Cash and cash equivalents as per above comprise of the following:		
Cash on Hand	0.51	0.87
Balance with Banks - On Current Accounts	7.39	4.58
	7.90	5.45

Notes:

- The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below:

Particulars	As at 1 April 2025	Addition during the year	Cash Outflows	Interest on Lease Liability	Foreign Exchange Loss/(Gain)	As at 31 March 2026
Long term borrowings	756.26	-	(305.60)	-	51.01	501.67
Short term borrowings	286.41	-	(43.36)	-	-	243.05
Lease liability	-	3.23	(0.58)	0.18	-	2.83
Total	1,042.67	3.23	(349.54)	0.18	51.01	747.55

Particulars	As at 1 April 2024	Addition during the year	Cash Outflows	Interest on Lease Liability	Foreign Exchange Loss/(Gain)	As at 31 March 2025
Long term borrowings	1,037.75	-	(275.14)	-	(6.35)	756.26
Short term borrowings	297.89	-	(11.48)	-	-	286.41
Total	1,335.64	-	(286.62)	-	(6.35)	1,042.67

In terms of our report attached
For Chandulal M. Shah & Co.
 Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
 Partner **Date** 15 May 2026
 Membership No.: 135475 **Place** Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
 CEO & Managing Director
 DIN: 00438037

Priya Gandhi
 Executive Director
 DIN: 06998979

Ashish Desai
 Chief Financial Officer

Vinod Mali
 Company Secretary

Date 15 May 2026
Place Kadi, Mehsana

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

(All amounts are in INR Million, unless otherwise stated)

A EQUITY SHARE CAPITAL					
		Number of shares		Amount	
Equity shares of INR 10 each issued, subscribed and fully paid					
As at 1 April 2024		8,506,865		85.07	
Issue of Equity Share Capital		-		-	
As at 31 March 2025		8,506,865		85.07	
Issue of Equity Share Capital		-		-	
As at 31 March 2026		8,506,865		85.07	

B OTHER EQUITY					
Particular	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 1 April 2024	9.42	175.07	392.26	2,465.30	3,042.05
Profit for the year	-	-	-	318.42	318.42
Other comprehensive income for the year					
Re-measurement loss on defined benefit plan (net of tax)	-	-	-	(3.63)	(3.63)
Total comprehensive income for the year	-	-	-	314.79	314.79
Dividend paid	-	-	-	(51.04)	(51.04)
Balance as at 31 March 2025	9.42	175.07	392.26	2,729.05	3,305.80
Profit for the year	-	-	-	521.00	521.00
Other comprehensive income for the year					
Re-measurement gain on defined benefit plan (net of tax)	-	-	-	(0.50)	(0.50)
Total comprehensive income for the year	-	-	-	520.50	520.50
Dividend paid	-	-	-	(59.55)	(59.55)
Balance as at 31 March 2026	9.42	175.07	392.26	3,190.00	3,766.75

In terms of our report attached
For Chandulal M. Shah & Co.
 Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri

Partner **Date** 15 May 2026
 Membership No.: 135475 **Place** Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi

CEO & Managing Director
 DIN: 00438037

Priya Gandhi

Executive Director
 DIN: 06998979

Ashish Desai

Chief Financial Officer

Vinod Mali

Company Secretary

Date 15 May 2026
Place Kadi, Mehsana

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

1 CORPORATE INFORMATION

Hester Biosciences Limited (CIN: L99999GJ1987PLC022333) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The HQ and Registered Office of the Company is located at Village Meda-Adraj, Taluka Kadi, Mehsana District, Gujarat 384441.

The Company is principally engaged in manufacturing of veterinary vaccines and trading of veterinary health products. The Company has two principal operating and reporting segments viz. Poultry Healthcare and Animal Healthcare (Ruminant and Pet).

The standalone financial statements were approved for issue in accordance with a resolution of the directors on 15 May 2026.

2 MATERIAL ACCOUNTING POLICY INFORMATION

1 BASIS OF PREPARATION:

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the standalone financial statements of the Company.

The financial statements have been prepared on the historical cost basis, except for following assets and liabilities which have been measured at fair value or revalued amount:

- i) Defined benefit plans - plan assets measured at fair value.
- ii) Unquoted investments in equity instruments - at fair value through profit and loss

The financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

a USE OF ESTIMATES:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumption that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual results and the estimates are recognised in the periods in which the results are known/ materialised.

b OPERATING CYCLE AND CURRENT/NON-CURRENT CLASSIFICATION:

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised 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.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is 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.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained twelve months as its operating cycle.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

c REVENUE RECOGNITION:

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

The transaction price of Goods is net of variable consideration, net of returns, trade discounts, rebates, Goods and Services Tax.

Revenue from services are recognised as the related services are performed. The transaction price of service rendered is net of variable consideration.

Contract Assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e only the passage of time is required before payment of consideration is due). Refer to accounting policies of financial assets in financial instruments-initial recognition and subsequent measurement.

Contract Liabilities (Advance from customers):

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or an amount customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is Contract liabilities (advance from customers) are recognised as revenue when the Company performs under the contract.

Interest income primarily comprises interest from term deposits with banks and on loans given. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Export incentives are recognised when the right to receive them as per the terms of the entitlement is established in respect of exports made.

Rental income from operating leases (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

d PROPERTY, PLANT AND EQUIPMENT:

Property, Plant and Equipments are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred except for high values which are capitalised.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Capital assets under erection/installation are stated at cost in the Balance Sheet as "Capital Work-in-Progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other non current assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

e INTANGIBLE ASSETS:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Except development costs which are capitalised, internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Capital assets under development are stated at cost in the Balance Sheet as "Intangible Asset under Development".

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition 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 derecognised.

Particulars	Estimated Useful Life
Software	Over a Period of 6 Years
Product Registration fees	Over a Period of 5 to 10 Years

f DEPRECIATION / AMORTISATION:

Depreciation on Property, Plant and Equipment is provided on Straight Line Method (SLM) based on useful life of the assets as prescribed under Part-C of Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used. The Management estimates the useful lives for such Property, Plant and Equipment are as under:

Particulars	Estimated Useful Life
Factory Roads Carpeted - RCC	Over a Period of 15 Years
Tubewell	Over a Period of 30 Years
Plant & Machineries, Equipment, Electrical Installation and Utilities	Over a Period of 5 to 15 Years

The Company believes that these estimated useful lives reflect a fair approximation of the period over which the assets are likely to be used.

g IMPAIRMENT OF NON - FINANCIAL ASSET - Property, Plant and Equipment and Intangible Assets:

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, assets' carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

Goodwill is tested for impairment annually as at year end and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

h GRANTS:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Company has treated waiver of duty under EPCG Scheme received as Government assistance as capital grant as the same is received to compensate the import cost of the asset wherein conditions relating to export of goods are subsidiary conditions. The said assistance has been netted off against the value of the respective asset so imported. The grant is recognised in profit & loss over the life of a depreciable asset as a reduced depreciation expense.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

i INVENTORIES:

Inventories include raw materials, bought out components, work-in-progress and manufactured finished goods. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Finished products:

Finished products produced by the Company are valued at lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads.

Traded goods:

Traded goods cost includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost is determined using First in First out (FIFO) method.

Work in progress:

Work in progress is valued at cost of direct materials, labour and other Manufacturing overheads up to estimated stage of process.

Raw materials, stores, spares and others:

Raw materials, stores, spares and others are valued at Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined using First in First out (FIFO) method.

j BORROWING COSTS:

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 capitalised 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.

k FOREIGN CURRENCY TRANSACTIONS:

The Company's financial statements are presented in Indian Rupees, which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded at the exchange rates prevailing at the time of transaction.

Monetary items representing assets and liabilities denominated in foreign currencies at the balance sheet date are translated at rates prevailing on balance sheet date. Exchange differences arising as a result of the above are recognised as income or expenses in the statement of profit and loss. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Investments in equity capital of a company registered outside India are carried in the Balance Sheet at the rates prevailing on the date of transaction.

Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

l PROVISION FOR RETIREMENT BENEFITS:

(i) Short-Term Employee Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(ii) Post-employment benefit plans:

a) Defined Contribution Plan:

Contribution for provident fund are accrued in accordance with applicable Statutes and deposited with the Regional Provident Fund Commissioner. The Company does not have any obligation other than contribution under the scheme.

b) Defined Benefit Plan:

The Company operates two defined benefit plans for its employees, viz., Gratuity and Leave Encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognised in full in the period in which they occur.

Remeasurements, comprising actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

m EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

n CASH AND CASH EQUIVALENTS:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

o OTHER BANK BALANCES:

Other Bank Balances in the balance sheet comprise short-term deposits with an original maturity of more than three months and having maturity less than twelve months.

p FINANCIAL INSTRUMENTS:

(i) Financial Asset:

(a) Classification:

On initial recognition the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(b) Initial recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

(c) Subsequent measurement:

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

- Financial assets instruments at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI).
- Financial assets at fair value through profit or loss (FVTPL) (Derivatives and Equity Instruments)

(d) Financial assets at amortised cost:

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- 1) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 2) 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. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised.

(e) Financial assets at fair value through OCI (FVTOCI):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
 - b) The asset's contractual cash flows represent SPPI.
-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(f) Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

(g) Investments in subsidiaries and joint ventures:

Investments in joint ventures and subsidiaries are measured at cost less provision for impairment, if any.

(h) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- (i) the Company has transferred substantially all the risks and rewards of the asset, or
- (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received are recognised in the statement of profit and loss.

(i) 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 on the following financial assets and credit risk exposure:

1. financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance.
2. trade receivables: The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

(ii) Financial Liabilities:

(a) Classification:

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

(b) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans and borrowings and payables), or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(c) Subsequent measurement:

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss.
 - Financial liabilities at amortised cost (loans and borrowings).
-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(d) Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

(e) Financial liabilities at amortised cost (loans and borrowings):

After initial recognition, interest-bearing financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

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

This category generally applies to interest-bearing loans and borrowings.

(f) Derecognition:

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q TAXATION:

i. Current Tax:

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Standalone Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to realise the asset or to settle the liability on a net basis.

ii. Deferred Tax:

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Standalone Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

r LEASES

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

s PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

t SEGMENT REPORTING:

The Company's Chief Operating Decision Maker (CODM) examines the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Company, which primarily relates to poultry healthcare and animal healthcare.

3 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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. The Company based its assumptions and estimates on parameters available when the 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. Such changes are reflected in the assumptions when they occur.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

a Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 37.

b Useful life of Property, Plant and Equipment and Intangible assets

Property, Plant and Equipment and Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value.

Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes.

The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

c Expected Credit Loss

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer relationship, customer type and rating).

For the purpose of measuring lifetime expected credit loss allowance of trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which considers historical credit loss experience and adjusted for forward-looking information.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT:								
Particulars	Freehold Land	Right of Use Assets	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Computer	Total
Gross Block								
As at 1 April 2024	52.04	-	779.91	1,026.46	70.07	60.26	29.77	2,018.51
Additions	-	-	4.64	103.31	2.77	-	1.22	111.94
Disposals	-	-	0.02	15.35	-	1.03	1.14	17.54
As at 31 March 2025	52.04	-	784.53	1,114.42	72.84	59.23	29.85	2,112.91
Additions	-	3.73	368.91	1,526.40	21.12	12.98	0.73	1,933.87
Disposals	-	-	-	19.33	0.13	15.50	1.12	36.08
As at 31 March 2026	52.04	3.73	1,153.44	2,621.49	93.83	56.71	29.46	4,010.70
Depreciation/Amortisation and Impairment								
As at 1 April 2024	-	-	229.72	645.73	52.36	39.07	22.72	989.60
Charge for the Year	-	-	26.86	46.83	2.52	4.73	3.16	84.10
Deductions	-	-	0.01	7.04	-	0.98	1.09	9.12
As at 31 March 2025	-	-	256.57	685.52	54.88	42.82	24.79	1,064.58
Charge for the Year	-	0.56	28.30	61.14	2.86	4.83	2.45	100.14
Deductions	-	-	-	15.74	0.10	13.28	1.03	30.15
As at 31 March 2026	-	0.56	284.87	730.92	57.64	34.37	26.21	1,134.57
Net Block								
As at 31 March 2025	52.04	-	527.96	428.90	17.96	16.41	5.06	1,048.33
As at 31 March 2026	52.04	3.17	868.57	1,890.57	36.19	22.34	3.25	2,876.13

Notes:

- For charges created on aforesaid assets, refer note 15.
- The amount of borrowing costs capitalised during the year ended 31 March 2026 is INR 56.64 million (31 March 2025: INR 68.05 million).
- The borrowing cost capitalised has been reduced by INR 2.85 million for the year ended 31 March 2026 (31 March 2025: INR 9.41 million) due to interest subvention benefit given under Animal Husbandry Infrastructure Development Fund scheme by Government of India for poultry/ Animal vaccine expansion project.
- The Company had received government assistance amount in form of waiver of duty under EPCG scheme in earlier years which has been netted off against the respective value of the PPE / CWIP. The same is received to compensate the import cost of the PPE wherein conditions relating to export of goods are subsidiary conditions. For pending export commitments, refer note 32.

Capital work-in-progress (CWIP):

Particulars	Amount
As at 31 March 2026	-
As at 31 March 2025	1,766.72

Capital work-in-progress Ageing:

Particulars	Amount in CWIP for year ended				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2026					
Project in Progress	-	-	-	-	-
Project temporarily Suspended	-	-	-	-	-
As at 31 March 2025					
Project in Progress	152.77	185.60	716.29	712.06	1,766.72
Project temporarily Suspended	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

4 INTANGIBLE ASSETS:					
Particulars	Amount in INR Million		Total		
	Software	Product registration fees			
Gross Block					
As at 1 April 2024	11.88	5.76	17.64		
Additions	2.58	-	2.58		
Disposals	5.37	3.95	9.32		
As at 31 March 2025	9.09	1.81	10.90		
Additions	-	-	-		
Disposals	2.95	0.07	3.02		
As at 31 March 2026	6.14	1.74	7.88		
Depreciation/Amortisation and Impairment					
As at 1 April 2024	8.33	3.65	11.98		
Charge for the Year	1.07	0.64	1.71		
Deductions	5.35	3.72	9.07		
As at 31 March 2025	4.05	0.57	4.62		
Charge for the Year	2.03	0.35	2.38		
Deductions	3.00	0.07	3.07		
As at 31 March 2026	3.08	0.85	3.93		
Net Block					
As at 31 March 2025	5.04	1.24	6.28		
As at 31 March 2026	3.06	0.89	3.95		
Intangible assets under development:					
Particulars	Amount				
As at 31 March 2026	93.27				
As at 31 March 2025	60.29				
Intangible asset under Development Ageing:					
Particulars	Amount in INR Million				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2026					
Project in Progress	32.98	28.60	18.25	13.44	93.27
Project temporarily Suspended	-	-	-	-	-
As at 31 March 2025					
Project in Progress	28.60	18.25	8.43	5.01	60.29
Project temporarily Suspended	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

5 NON CURRENT INVESTMENTS:			
Particulars	As at		As at
	31 March 2026	31 March 2025	31 March 2025
Investment in subsidiaries:			
Unquoted Investments in equity instruments - at cost (All fully paid)			
Hester Biosciences Nepal Private Limited 1,743,390 (31 March 2025:1,743,390) Equity shares of NPR 100 each	117.33		117.33
Texas Lifesciences Private Limited (31 March 2025: 2,706,625) Equity shares of INR 10 each*	-		27.07
Hester Biosciences Africa Limited 9,112,079 (31 March 2025: 9,112,079) Equity shares of TSHS 1,000 each	283.97		283.97
Hester Biosciences Kenya Limited 150,600 (31 March 2025: 150,600) Equity shares of KSHS 100 each	10.37		10.37
Investment in Joint Venture entity:			
Unquoted Investments in equity instruments - at cost (Fully paid)			
Thrishool Exim Limited 1,674 (31 March 2025: 1,674) Equity shares of TSHS 10,000 each	208.15		208.15
Other Investment:			
Unquoted Investments in equity instruments - at fair value through profit and loss (Fully paid)			
Texas Lifesciences Private Limited 543,208 Equity shares of INR 10 each (Fair value of INR 42.34)*	23.00		-
Total	642.82		646.89
Aggregate value of Unquoted Investment	642.82		646.89
*Refer Note 24.1 regarding the sale of investment in Texas Lifesciences Private Limited (investment in subsidiary) during the current year			

6 LOANS:					
(Unsecured, Considered Good unless otherwise stated)					
Particulars	Non Current		Current		
	As at	As at	As at	As at	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	
Loan to Employees	-	-	1.07	1.95	
Loan to Others	-	-	-	55.00	
Total	-	-	1.07	56.95	
Disclosures pursuant to section 186(4) of the Companies Act, 2013:					
Particulars	Purpose	31 March 2026	31 March 2025		
Loan to Shubh Consultancy	Working Capital	-	55.00		
Corporate Guarantee given to Hester Biosciences Africa Limited	Credit Facilities	1,327.69	1,196.65		

7 OTHER FINANCIAL ASSETS:					
(Unsecured, Considered Good)					
Particulars	Non Current		Current		
	As at	As at	As at	As at	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	
Bank Deposits with maturity of more than 12 months -Margin Money Deposit	3.94	16.14	-	-	
Security Deposit	17.60	37.72	123.00	123.00	
Export Incentives Receivables	-	-	3.33	1.84	
GST Refund Receivable	-	-	15.25	14.28	
Other Receivables	-	-	-	9.62	
Interest Accrued	-	-	41.98	46.50	
Receivable on account of sale of subsidiary (Refer Note 24.1)	1.00	-	11.00	-	
Total	22.54	53.86	194.56	195.24	

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

8 OTHER ASSETS:					
(Unsecured, Considered Good)					
Particulars	Non Current		Current		
	As at	As at	As at	As at	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	
Capital Advances	25.32	15.68	-	-	
Advance Tax (Net of Provision for tax)	9.78	9.56	-	-	
Advances to Suppliers	-	-	48.67	68.90	
Prepaid Expenses	-	-	7.61	13.60	
Balance with Government Authorities	-	-	75.77	100.23	
Amount paid under protest - Goods and Service tax	2.01	-	-	-	
Advance to Employees	-	-	4.13	4.61	
Total	37.11	25.24	136.18	187.34	

9 INVENTORIES:			
(At lower cost and net realisable value)			
Particulars	As at		As at
	31 March 2026	31 March 2025	31 March 2025
Raw Materials	40.95		50.54
Work-in-Progress	210.67		100.47
Finished Goods	139.40		187.63
Traded Goods (Refer note below)	152.87		177.91
Stores, Spares and Others	32.26		36.52
Packing Materials	23.67		32.03
Total	599.82		585.10

Notes:

- During the year ended 31 March 2026, INR 3.54 million (Previous year: INR 3.12 million) was recognised as an expense for finished goods and traded goods carried at net realisable value.
- The cost of inventories recognised as an expense includes INR 7.30 million (Previous year: Nil) in respect of slow and non-moving inventories.
- Traded Goods include in transit of INR Nil (Previous year: INR 4.84 million)
- For charges created on aforesaid assets, refer note 20.

10 TRADE RECEIVABLES:			
Particulars	As at		As at
	31 March 2026	31 March 2025	31 March 2025
Secured, considered good	-		-
Unsecured, considered good	920.40		805.95
Trade receivables which have significant increase in credit risk	-		-
Trade receivables - credit impaired	37.25		53.12
Total	957.65		859.07
Less: Impairment allowance (allowance for bad and doubtful debts)	(37.25)		(53.12)
Total	920.40		805.95

Notes:

- For dues from the related parties, refer note 36.
- For charges created on aforesaid assets, refer note 20.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

Trade Receivable Ageing as on 31 March 2026 outstanding from due date of payment:							
Particulars	Not Due	< 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade Receivables (considered good)	429.51	278.12	74.96	105.91	-	28.90	917.40
(ii) Undisputed Trade Receivables (considered doubtful)	-	1.18	0.42	0.55	12.95	13.15	28.25
(iii) Disputed Trade Receivables (considered good)	-	-	-	-	-	3.00	3.00
(iv) Disputed Trade Receivables (considered doubtful)	-	-	-	-	-	9.00	9.00
	429.51	279.30	75.38	106.46	12.95	54.05	957.65
Less: Impairment Allowance (allowance for bad and doubtful debts)	-	-	-	-	-	-	(37.25)
Total	429.51	279.30	75.38	106.46	12.95	54.05	920.40

Trade Receivable Ageing as on 31 March 2025 outstanding from due date of payment:							
Particulars	Not Due	< 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade Receivables (considered good)	372.53	251.86	75.44	26.08	42.21	32.34	800.46
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	42.74	1.00	43.74
(iii) Disputed Trade Receivables (considered good)	-	-	-	-	-	12.00	12.00
(iv) Disputed Trade Receivables (considered doubtful)	-	-	-	-	-	2.87	2.87
	372.53	251.86	75.44	26.08	84.95	48.21	859.07
Less: Impairment Allowance (allowance for bad and doubtful debts)	-	-	-	-	-	-	(53.12)
Total	372.53	251.86	75.44	26.08	84.95	48.21	805.95

Trade receivables that are impaired at the balance sheet date and the movement of the allowance for expected credit losses of trade receivables are as follows:

Particulars	31 March 2026	31 March 2025
Opening provision	53.12	9.00
Additional allowance during the year	31.35	44.12
Less: Bad debts written off against allowance	(47.22)	-
Closing balance	37.25	53.12

11 CASH AND CASH EQUIVALENTS:

Particulars	As at 31 March 2026	As at 31 March 2025
Balance with Banks - In Current Accounts	7.39	4.58
Cash on Hand	0.51	0.87
Total	7.90	5.45

12 OTHER BANK BALANCES:

Particulars	As at 31 March 2026	As at 31 March 2025
Balance with Banks - Unpaid dividend accounts	3.06	3.78
Bank Deposits with original maturity of more than three months but less than twelve months - Margin Money Deposit	34.65	12.54
Total	37.71	16.32

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

Particulars	As at	As at
	31 March 2026	31 March 2025
13 SHARE CAPITAL:		
AUTHORISED CAPITAL		
11,200,000 (Previous Year: 11,200,000) Equity Shares of INR 10 each	112.00	112.00
	112.00	112.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
8,506,865 (Previous Year: 8,506,865) Equity Shares of INR 10 each fully paid up	85.07	85.07
Total	85.07	85.07

13.01 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at	As at
	31 March 2026	31 March 2025
Equity Shares at the beginning of the year	8,506,865	8,506,865
Changes during the Year	-	-
Outstanding at the end of the year	8,506,865	8,506,865

13.02 Rights, preferences and restriction attached to shares:

The Company has only one class of equity shares having par value of INR 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except Interim Dividend declared during the year and Company pays the same in Indian Rupees. In the event of liquidation of the Company, the equity Shareholders are eligible to receive the remaining asset of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held.

The Board has further recommended final dividend of INR 11 (Eleven) per equity share (110%) for the financial year 2025-26, subject to the approval of the shareholders.

13.03 Disclosure of Shareholding of Promoters and Promoter Group:

Disclosure of Shareholding of Promoters and Promoter Group as at 31 March 2026 is as follow:

Name	As at 31 March 2026		As at 31 March 2025		% Change during the Year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Rajiv Dinesh Gandhi	891,508	10.48	890,397	10.47	0.01
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20	-
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19	-
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78	-
Ravin Gandhi	403,320	4.74	403,320	4.74	-
Bela Gandhi	400,635	4.71	400,635	4.71	-
Bhupendra Vithaldas Gandhi	397,989	4.68	399,100	4.69	(0.01)
Biolink Healthcare Limited	248,838	2.93	248,838	2.93	-
Anup Chandravadan Kapadia	228,354	2.68	228,354	2.68	-
Hester Coatings LLP	64,000	0.75	64,000	0.75	-
Hester Diagnostics Private Limited	24,000	0.28	24,000	0.28	-
Hetal Sanjiv Gandhi	19,590	0.23	19,590	0.23	-
Yash Rajiv Gandhi	7,250	0.09	7,250	0.09	-
Total	4,570,944	53.73	4,570,944	53.73	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

Disclosure of Shareholding of Promoters and Promoter Group as at 31 March 2025 is as follow:

Name	As at 31 March 2025		As at 31 March 2024		% Change during the Year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Rajiv Dinesh Gandhi	890,397	10.47	890,397	10.47	-
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20	-
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19	-
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78	-
Ravin Gandhi	403,320	4.74	403,320	4.74	-
Bela Gandhi	400,635	4.71	400,635	4.71	-
Bhupendra Vithaldas Gandhi	399,100	4.69	399,100	4.69	-
Biolink Healthcare Limited	248,838	2.93	248,838	2.93	-
Anup Chandravadan Kapadia	228,354	2.68	228,354	2.68	-
Hester Coatings LLP	64,000	0.75	64,000	0.75	-
Hester Diagnostics Private Limited	24,000	0.28	24,000	0.28	-
Hetal Sanjiv Gandhi	19,590	0.23	19,590	0.23	-
Yash Rajiv Gandhi	7,250	0.09	7,250	0.09	-
Total	4,570,944	53.73	4,570,944	53.73	-

13.04 The details of shareholders holding more than 5% equity shares in the Company:

Name of the Shareholders	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	% held	No. of Shares	% held
Rajiv Dinesh Gandhi	891,508	10.48	890,397	10.47
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78

14 OTHER EQUITY:

Particulars	As at 31 March 2026	As at 31 March 2025
Capital Reserve		
As per last Balance sheet	9.42	9.42
Securities Premium		
As per last Balance sheet	175.07	175.07
General Reserve		
As per last Balance sheet	392.26	392.26
Retained Earnings		
As per last Balance Sheet	2,729.05	2,465.30
Add: Profit for the year	521.00	318.42
Add: Other Comprehensive Income (Remeasurement (loss)/gain of defined benefit plans, net of tax)	(0.50)	(3.63)
Less: Dividend paid	59.55	51.04
Total	3,766.75	3,305.80

Notes:

- Capital reserve:** This is mainly used to record the reserves created on receipt of state/central subsidies and amounts forfeited towards the forfeiture of Equity warrants issued. This reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- Securities premium:** This represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- General Reserve:** Under the erstwhile Companies Act, 1956, general reserves was created through an annual transfer of net income at specified percentage in accordance with applicable regulation. Consequent to the introduction of Companies Act, 2013, the requirement of mandatorily transfer a specified percentage of the net profit to general reserves has been withdrawn. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- Retained earnings:** This represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

Distribution made and proposed	As at 31 March 2026	As at 31 March 2025
Cash dividend on equity shares declared and paid		
Final Dividend for the year ended 31 March 2025 INR 7 per share (for the year ended 31 March 2024 INR 6 per share)	59.55	51.04
	59.55	51.04
Proposed dividend on equity shares		
Final Dividend for the year ended 31 March 2026 INR 11 per share (for the year ended 31 March 2025 INR 7 per share)	93.58	59.55
	93.58	59.55
Note: Proposed dividend on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability as at year end.		

15 BORROWINGS (Long Term):

Particulars	As at 31 March 2026	As at 31 March 2025
Secured Borrowings		
Term Loans from Banks	124.73	222.94
External Commercial Borrowings	376.94	533.32
	501.67	756.26
Less: Current Maturities of Long Term Borrowings (Refer Note 20)		
Term Loans from Banks	(69.48)	(98.01)
External Commercial Borrowings	(215.36)	(145.13)
	(284.84)	(243.14)
Total	216.83	513.12

Notes:

a. The security details for the borrowing balances:

Term Loans from Banks aggregating to INR 124.73 million (Previous year: INR 222.94 million) and External Commercial Borrowing from Banks aggregating to INR 376.94 million (Previous year: INR 533.32 million) are secured by first charge on all immovable, movable assets and freehold land of the Company along with the personal guarantee of the directors.

b. Repayment schedule for the borrowing balances:

The secured term loans from banks aggregating to INR 5.41 million (Previous year: INR 21.66 million) are repayable over a period of 5 years in quarterly instalments upto FY 2026-27.

The secured term loans from banks aggregating to INR 87.10 million (Previous year: INR 136.30 million) are repayable over a period of 5 years in quarterly instalments upto FY 2027-28.

The secured term loans from banks aggregating to INR 32.22 million (Previous year: INR 47.09 million) are repayable over a period of 4 years in monthly instalments upto FY 2028-29.

External Commercial Borrowing from banks aggregating to INR 376.94 million (Previous year: INR 533.32 million) are repayable over a period of 6 years in 21 quarterly instalments upto FY 2027-28.

The secured term loans from banks aggregating to INR Nil (Previous year: INR 17.89 million) has been repaid during the year

c. Interest rates on borrowings:

Interest rates on Term loan is varying, which is linked to MCLR of bank, from time to time.

Interest rates on External Commercial Borrowing is varying, which is linked to 3 Months SOFR.

16 OTHER FINANCIAL LIABILITIES:

Particulars	Non Current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Deposits	10.22	7.83	-	-
Unclaimed Dividends	-	-	3.07	3.78
Interest accrued	-	-	2.29	2.79
Creditors for Capital expenses	-	-	12.13	35.59
Payable to employees	-	-	24.74	5.44
Others	-	-	1.29	0.60
Total	10.22	7.83	43.52	48.20

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

17	PROVISIONS:	Particulars	Non Current		Current	
			As at	As at	As at	As at
			31 March 2026	31 March 2025	31 March 2026	31 March 2025
		Provision for Leave encashment	23.36	23.79	6.42	5.70
		Provision for Gratuity (Refer note 37)	-	-	8.87	3.54
		Total	23.36	23.79	15.29	9.24

18	LEASE LIABILITY:	Particulars	Non Current		Current	
			As at	As at	As at	As at
			31 March 2026	31 March 2025	31 March 2026	31 March 2025
		Lease Liability	2.31	-	0.52	-
		Total	2.31	-	0.52	-

Note: The amount recognised in the profit and loss in respect of right of use assets and lease obligation are as under:

Particulars	As at	As at
	31 March 2026	31 March 2025
Amortisation of Right to use assets	0.56	-
Interest expense on lease liabilities	0.18	-
Expenses relating to short term leases	23.13	21.04

The total cash outflow for leases:

Particulars	As at	As at
	31 March 2026	31 March 2025
Balance at the beginning of the year	-	-
Addition during the year	3.23	-
Interest expense on lease liabilities	0.18	-
Cash outflow	(0.58)	-
Balance at the end of the year	2.83	-

19	OTHER LIABILITIES:	Particulars	Non Current		Current	
			As at	As at	As at	As at
			31 March 2026	31 March 2025	31 March 2026	31 March 2025
		Advance from Customers	-	-	18.32	5.67
		Payables to Statutory Authorities	-	-	24.91	11.55
		Deferred Government Grant	461.25	500.00	35.77	-
		Total	461.25	500.00	79.00	17.22

Following is the movement of Deferred Government Grant:

Particulars	31 March 2026	31 March 2025
	Opening Balance	500.00
Add: Grant received during the year	-	-
Less: Released to statement of Profit and Loss during the year	(2.98)	-
Closing balance	497.02	500.00

The company has received Government Grant of INR 500 million from BIRAC (Biotechnology Industry Research Assistance Council), Government of India enterprise to support the project "Proposal for Facility Augmentation to support Covid Vaccine Manufacturing" under the Mission Covid Suraksha Scheme of Government of India, which has been put to use during the current year.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

20 CURRENT BORROWINGS:		
Particulars	As at 31 March 2026	As at 31 March 2025
Loan Repayable on Demand		
Cash Credit from Bank	243.05	286.41
Current Maturities of Long Term Borrowings (Refer Note 15)		
Term Loans	69.48	98.01
External Commercial Borrowings	215.36	145.13
Total	527.89	529.55

Notes:

- a. Cash Credit accounts are secured by first and exclusive hypothecation charge on all the current assets of the company. It is also collaterally secured by Equitable Mortgage of Ahmedabad office and hypothecation of unencumbered plant and machinery, stocks and trade receivable of the Company and personal guarantee of three directors.
- b. Interest Rate on cash credit facilities is varying, which is linked to base rate of Bank, from time to time.

21 TRADE PAYABLES:		
Particulars	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of micro enterprises and small enterprises	64.00	98.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	141.62	227.02
Total	205.62	325.33

Note: For dues to related parties, refer note 36

Dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006:

Particulars	As at 31 March 2026	As at 31 March 2025
Principal amount due remaining unpaid to Micro and Small Enterprises as at end of the year;	64.00	98.31
Interest accrued and remaining unpaid to Micro and Small Enterprises as at end of the year;	-	-
Interest due and payable to Micro and Small Enterprises for the year;	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to Micro and Small Enterprises.	-	-

The 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.

Trade Payable Ageing as on 31 March 2026

Outstanding for the following period from due date of payment

Particulars	Unbilled	Not Due	< 1 Year	1-2 Years	2-3 Years	>3 Years	Total
MSME - Undisputed dues	-	64.00	-	-	-	-	64.00
Others - Undisputed dues	74.02	61.08	6.40	0.12	-	-	141.62
MSME - Disputed dues	-	-	-	-	-	-	-
Others - Disputed dues	-	-	-	-	-	-	-

Trade Payable Ageing as on 31 March 2025

Outstanding for the following period from due date of payment

Particulars	Unbilled	Not Due	< 1 Year	1-2 Years	2-3 Years	>3 Years	Total
MSME - Undisputed dues	-	51.11	47.20	-	-	-	98.31
Others - Undisputed dues	90.75	46.39	87.89	1.64	0.35	-	227.02
MSME - Disputed dues	-	-	-	-	-	-	-
Others - Disputed dues	-	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

22 CURRENT TAX LIABILITIES:			
Particulars	As at 31 March 2026	As at 31 March 2025	
Provision for Current Tax (Net of advance tax)	47.34	37.48	
Total	47.34	37.48	

23 REVENUE FROM OPERATIONS:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
(A) Sale of Goods	2,879.11	2,863.22	
(B) Other Operating Revenue			
Revenue from license fees and services	40.65	-	
Export Incentives	1.60	1.44	
Total	2,921.36	2,864.66	

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Revenue as per contracted price	2,923.22	2,866.36	
Adjustments:			
Less: Discount on prompt payment	1.86	1.70	
Revenue from contract with customers	2,921.36	2,864.66	

Note: For Revenue from contracts with customers disaggregated based on geography refer note 40(iii)

24 OTHER INCOME:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Interest income			
Bank deposits	2.17	2.10	
Others	13.62	18.27	
Commission income	12.50	11.78	
Foreign exchange fluctuation (net)	24.24	8.92	
Liabilities no longer required written back (net)	-	0.99	
Rent income	1.66	4.86	
Net gain on assets measured at fair value through profit or loss	17.57	-	
Grant income	2.98	-	
Other miscellaneous income	1.61	0.72	
Total	76.35	47.64	

24.1 EXCEPTIONAL ITEMS:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Gain on sale of investment in subsidiary	69.96	-	

The Board of Directors of the Company at its meeting dated 11 March 2026 has approved the divestment of 43.81% equity shareholding out of 54.81% in its subsidiary, Texas Lifescience Private Limited ("TLPL") by way of sale/ transfer of 2,163,377 Equity Shares of INR 10 each at the price of INR 42.34 per share to entity affiliated to existing promoter shareholders of TLPL. TLPL ceased to be subsidiary of the company from 27 March 2026 onwards.

25 COST OF RAW MATERIAL AND COMPONENTS CONSUMED:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Inventory at the beginning of the year	82.57	90.05	
Add: Purchases during the year	444.28	381.10	
Less: Inventory at the end of the year	64.62	82.57	
Total	462.23	388.58	

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

26 PURCHASE OF STOCK-IN-TRADE:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Purchase of Stock-in-trade (in transit of Nil (Previous year: INR 4.84 million))	394.38	448.37	
Total	394.38	448.37	
27 CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Inventories at the End of the Year			
Finished Goods	139.40	187.63	
Traded Goods	152.87	177.91	
Work-in-Progress	210.67	100.47	
	502.94	466.01	
Inventories at the Beginning of the Year			
Finished Goods	187.63	254.93	
Traded Goods	177.91	185.53	
Work-in-Progress	100.47	125.20	
	466.01	565.66	
Total	(36.93)	99.65	
28 EMPLOYEE BENEFITS EXPENSE:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Salaries & Wages	502.00	519.93	
Gratuity expense (Refer Note 37)	8.68	4.89	
Contributions to Provident Fund & Other Funds (Refer Note 37)	19.10	20.68	
Staff Welfare Expenses	1.96	2.13	
Total	531.74	547.63	
29 FINANCE COST:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Interest expenses*	38.34	47.09	
Bank charges	4.41	2.78	
Foreign exchange loss on borrowings	28.76	3.80	
Lease Finance Cost	0.18	-	
Total	71.69	53.67	
* Interest expenses has been reduced by INR 0.76 million for the year ended 31 March 2026 due to interest subvention benefit given under the Animal Husbandry Infrastructure Development Fund scheme by Government of India for poultry/ animal vaccine expansion project.			

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

30 OTHER EXPENSES:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Power and Fuel	92.04	101.19
Consumption of Stores and Spares	66.42	78.71
Repairs & Maintenance		
Plant and Machinery	16.26	13.48
Building	5.62	3.62
Others	12.87	8.35
Testing and inspection charges	8.85	2.76
Factory Expense	42.28	33.81
Freight Expense	120.92	137.28
Sales promotion expense	68.66	76.34
Commission on Sales	55.04	55.32
Royalty on Sales	12.74	23.83
Legal and Professional fees	50.09	37.32
Traveling & conveyance expense	134.50	156.81
Insurance expense	11.80	10.28
Rent	23.13	21.04
Rates and Taxes	17.37	22.19
Payment to Auditor		
As Auditor	1.80	1.60
Taxation matters	0.48	0.65
Other services	0.03	0.03
Reimbursement of expense	*	*
CSR expenses (Refer note 34)	8.21	8.93
Provision for Doubtful Debts	31.35	44.12
Loss on Sale of Property, Plant and Equipment	2.04	4.86
Bad Debts written off	82.18	-
Less: Provision for Doubtful debt utilised	(47.22)	-
	34.96	-
Charity and donations	0.77	0.53
Directors' sitting fees	2.25	1.83
Miscellaneous Expenses	24.75	26.11
Total	845.22	870.99

(Figures below INR 50,000 are denominated with “ * ”)

31 TAX RECONCILIATION:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Statement of Profit and Loss		
Current tax		
Current income tax	144.64	118.08
Tax adjustment of earlier years	0.02	(5.38)
Deferred tax		
Deferred tax expense	31.16	(13.52)
Income tax expenses reported in the Statement of Profit and Loss	175.82	99.18
OCI Section		
Other comprehensive income (OCI)		
Tax related to items recognised in OCI during the year		
Tax effect on remeasurement (loss)/gain of defined benefit plans	0.17	1.22
Tax credit/(charged) to OCI	0.17	1.22

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

a. Reconciliation of tax expense and the accounting profit				
Particulars	Year ended		Year ended	
	31 March 2026		31 March 2025	
Profit before tax as per Statement of Profit and loss	696.82		417.60	
Enacted Income Tax Rate applicable to Company	25.17%		25.17%	
Expected Income Tax Expenses	175.39		105.11	
Tax effects of:				
Non-deductible expenses	10.26		2.39	
Long term capital gain	(9.51)		-	
Others	(0.31)		(8.32)	
Total Tax	175.82		99.18	
Effective Income Tax Rate	25.23%		23.75%	
b. Movement in deferred tax liabilities (net) for the year ended 31 March 2026				
Particulars	Opening Balance as at 1 April 2025	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance as at 31 March 2026
Tax effect of items constituting deferred tax liabilities:				
Accelerated depreciation for tax purposes	86.39	23.51	-	109.90
Gratuity fund	(1.04)	(1.52)	-	(2.56)
Fair value gain on investment	-	2.51	-	2.51
	85.35	24.50	-	109.85
Tax effect of items constituting deferred tax assets:				
Expense allowed in the year of payment	14.63	(5.00)	-	9.63
Other adjustment	13.39	(1.66)	-	11.73
	28.02	(6.66)	-	21.36
Net deferred tax liabilities	57.33	31.16	-	88.49
Movement in deferred tax liabilities (net) for the year ended 31 March 2025				
Particulars	Opening Balance as at 1 April 2024	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance as at 31 March 2025
Tax effect of items constituting deferred tax liabilities:				
Accelerated depreciation for tax purposes	79.67	6.72	-	86.39
Gratuity fund	0.81	(1.85)	-	(1.04)
	80.48	4.87	-	85.35
Tax effect of items constituting deferred tax assets:				
Expense allowed in the year of payment	7.36	7.27	-	14.63
Other adjustment	2.27	11.12	-	13.39
	9.63	18.39	-	28.02
Net deferred tax liabilities	70.85	(13.52)	-	57.33
32 COMMITMENTS:				
Particulars	Year ended		Year ended	
	31 March 2026		31 March 2025	
Capital Commitments				
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	19.64		124.56	
Export Commitments	189.92		1,046.57	

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

33 CONTINGENT LIABILITIES NOT PROVIDED FOR:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Claims against the company not acknowledged as debts:		
Income Tax *	-	-
Corporate Guarantee given against credit facilities availed by Subsidiary **	1,327.69	1,196.65

* includes demand from Income Tax Authorities based on assessment/appeal orders and the Company is in appeal with higher authorities, and the Company has been advised that the decision will be in favour of the Company, and hence no provision has been made in the Financial Statements. The matters are pending before respective appellate authorities and not yet settled.

** In respect of Corporate Guarantee of USD 14 million (INR 1,327.69 million) issued in favour of the Gates Foundation, U.S.A. on behalf of Hester Biosciences Africa Limited, Tanzania (Wholly Owned Subsidiary Company) for setting up of an animal vaccine manufacturing plant.

34 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:		
Pursuant to Section 135 of the Companies Act, 2013, a Company, meeting the applicability of threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities identified by the Company and monitored by CSR Committee.		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Amount required to be spent by the company during the year	8.19	8.93
(b) Amount of expenditure incurred	8.21	8.93
(c) Shortfall at the end of the year	-	-
(d) Total of previous year shortfall	-	-
(e) Reason for shortfall	-	-
(f) Nature of CSR activity	<ol style="list-style-type: none"> 1. Promoting Education, vocational skill training and allied activities and infrastructure support 2. Environment sustainability and waste management 3. Promoting Woman empowerment, cleanliness and Rural Development 4. Promoting sports for Olympic and Paralympic games. 	<ol style="list-style-type: none"> 1. Promoting Education, vocational skill training and allied activities 2. Promoting Healthcare and allied activities 3. Environment sustainability 4. Promoting Woman empowerment and Rural Development 5. Promoting sports for Olympic and Paralympic games.
(g) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard.	-	-

35 EARNINGS PER SHARE:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net Profit for the year	521.00	318.42
Weighted Average Number of Equity Shares	8,506,865	8,506,865
Basic and diluted Earnings per share (INR)	61.24	37.43
Nominal Value of Equity Share (INR)	10.00	10.00

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

36 RELATED PARTY DISCLOSURE:

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

(i) List of Related Parties

(a) Subsidiary Companies

1. Hester Biosciences Nepal Private Limited
2. Texas Lifesciences Private Limited (till 27 March 2026)
3. Hester Biosciences Africa Limited
4. Hester Biosciences Kenya Limited

(b) Step-down Subsidiary Company

1. Hester Biosciences Tanzania Limited (Wholly-owned Subsidiary of Hester Biosciences Kenya Limited)

(c) Joint Venture entity

1. Thrishool Exim Limited

(d) Key Management Personnel

1. Mr. Rajiv Gandhi - CEO & Managing Director
2. Ms. Priya Gandhi - Executive Director
3. Mr. Nikhil Jhanwar - Chief Financial Officer (up to 6 November 2024)
4. Mr. Divyesh Maru - Chief Financial Officer (from 12 November 2024 to 13 November 2025)
5. Mr. Ashish Desai - Chief Financial Officer (with effective from 20 November 2025)
6. Mr. Vinod Mali - Company Secretary & Compliance Officer

(e) Independent Directors

1. Ms. Sandhya Patel
2. Mr. Ashok Bhadakal
3. Mr. Ameet Desai
4. Mr. Anil Jain
5. Mr. Jatin Trivedi

(f) Relatives of key management personnel

1. Dr. Bhupendra Gandhi (Non-Executive chairman)
2. Mr. Sanjiv Gandhi (Non-Executive Director)
3. Mr. Ravin Gandhi (Non-Executive Director)
4. Ms. Nina Gandhi (Non-Executive Alternate Director of Mr. Ravin Gandhi)

(g) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Hester Coatings LLP
2. Biolink Healthcare Limited
3. Hester Diagnostics Private Limited
4. Gujarat Polyplast Private Limited
5. Gujarat Airconnect Private Limited
6. AeroTrans Services Private Limited
7. Y. J. Trivedi & Co.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

(ii) Transactions during the year with Related Parties								
Particulars	Key Management Personnel/ Relatives of Key Managerial Personnel		Subsidiary Companies/Joint Venture Entity		Enterprises Having Significant Influence		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
	a) Purchase of Goods	-	-	243.73	279.56	19.76	39.40	263.49
b) Sales of Goods	-	-	78.66	84.04	-	-	78.66	84.04
c) Guarantee Commission Income	-	-	12.50	11.78	-	-	12.50	11.78
d) Commission Expense	-	-	-	-	2.80	-	2.80	-
e) Professional Services Availed	-	-	-	-	0.50	0.26	0.50	0.26
f) Services Availed	-	-	-	-	0.41	6.17	0.41	6.17
g) Reimbursement of Expenses	-	-	2.43	1.64	0.24	0.55	2.67	2.19
h) Sitting Fees	2.25	1.83	-	-	-	-	2.25	1.83
i) Remuneration Paid	69.47	58.15	-	-	-	-	69.47	58.15
j) Rent Paid	-	-	-	-	3.00	3.00	3.00	3.00
k) Rent Income	-	-	-	-	0.40	4.80	0.40	4.80

Outstanding balances at the year-end								
Particulars	Key Management Personnel/ Relatives of Key Managerial Personnel		Subsidiary Companies/Joint Venture		Enterprises Having Significant Influence		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
	a) Receivables	-	-	192.57	117.37	12.46	23.32	205.03
b) Payables	-	-	-	80.53	3.16	6.76	3.16	87.29
c) Loans & Advances	-	-	16.69	16.67	10.94	29.57	27.63	46.24
d) Remuneration Payable	18.11	12.23	-	-	-	-	18.11	12.23

Notes:

- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave encashment, as it is determined on an actuarial basis for the Company as a whole.
- Bank Facilities (Working capital limit, Term loans and External Commercial Borrowings) are secured by guarantee of Mr. Rajiv Gandhi, Mr. Sanjiv Gandhi and Dr. Bhupendra Gandhi, Directors of the Company.
- Corporate Guarantee of USD 14 million (INR 1,327.69 million) (Previous year: INR 1,196.65 million) issued in favour of the Gates Foundation, U.S.A. on behalf of Hester Biosciences Africa Limited, Tanzania (Wholly Owned Subsidiary Company) for setting up of an animal vaccine manufacturing plant.

37 DEFINED BENEFIT OBLIGATIONS:

a) Defined Contribution Plans:

The Company made contribution towards provident fund to defined contribution retirement benefit plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner, the Company required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefit.

The Company recognised INR 19.10 million (2024-25: INR 20.68 million) for provident and other fund contribution in the Statement of Profit and Loss. The contributions payable to this plan by the Company are at rates specified in the rules of the scheme. The Company has no further obligations under the plan beyond its monthly contributions.

b) Defined Benefit Plan:

The Company made annual contribution to the Employees' Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or a part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of define benefit obligation and the related current service cost were measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

The following table sets out the funded status of the gratuity plan and the amount recognised by the Company's financial statement as at 31 March 2026:

BALANCE SHEET

(i) Change in the Present Value of Defined Benefit Obligation

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Defined Benefit Obligation at Beginning of the Year	53.14	49.36
Current Service Costs	4.25	5.12
Past Service Costs	4.02	-
Interest Cost on Defined Benefit Obligation	3.42	3.57
Actuarial (Gain) / Loss on Defined Benefit Obligation	0.50	4.31
Benefits paid during the Year	(13.17)	(9.21)
Defined Benefit Obligation at End of the Year	52.16	53.14

(ii) Change in Plan Asset

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Fair Value of Plan Assets at the Beginning of the Year	49.61	52.57
Expected Return on Plan Assets	3.00	3.79
Contribution made during the Year	4.02	3.00
Benefits paid during the Year	(13.17)	(9.21)
Actuarial Loss on Plan Assets	(0.17)	(0.54)
Fair Value of Plan Assets at the End of the Year	43.29	49.61

(iii) Disclosure in Balance Sheet

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Defined Benefit Obligation at the End of the Year	(52.16)	(53.15)
Fair Value of Plan Assets at the end of the Year	43.29	49.61
Funded Status [(Deficit)/Surplus]	(8.87)	(3.54)
Net (Liability)/Asset Recognised in the Balance Sheet	(8.87)	(3.54)

(iv) Reconciliation - Balance Sheet

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net (Asset)/Liability at the beginning of the Year	3.54	(3.21)
Expenses Recognised in Statement of Profit or Loss	8.68	4.89
Expenses Recognised in Other Comprehensive Income	0.67	4.85
Employers contribution paid	(4.02)	(3.00)
Net Liability/(Asset) at the end of the year	8.87	3.54

STATEMENT OF PROFIT AND LOSS

(v) Expenses recognised during the Year

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
In Income Statement		
Current Service Costs	4.25	5.12
Past Service Costs	4.02	-
Interest Cost	0.41	(0.23)
Expenses Recognised in Statement of Profit or Loss	8.68	4.89
In Other Comprehensive Income		
Actuarial (Gain) / Loss	0.50	4.31
Return on Plan Assets	0.17	0.54
Expenses/(Income) Recognised in Other Comprehensive Income	0.67	4.85

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

(vi) Assumptions used		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Discount rate	6.89%	6.59%
Rate of return on plan asset	6.89%	6.59%
Salary escalation	6.00%	6.00%
Attrition rate	For service 4 years and below 30% p.a.	For service 4 years and below 30% p.a.
	For service 5 years and above 9% p.a.	For service 5 years and above 9% p.a.
(vii) Sensitivity Analysis		
Particulars	Year ended 31 March 2026	
	Increase	Decrease
Change in discounting rate (delta effect of +/- 1%)	(2.80)	3.14
Change in rate of salary increase (delta effect of +/- 1%)	2.78	(2.58)
Change in rate of employee turnover(delta effect of +/- 1%)	0.16	(0.18)
Particulars	Year ended 31 March 2025	
	Increase	Decrease
Change in discounting rate (delta effect of +/- 1%)	(2.99)	3.37
Change in rate of salary increase (delta effect of +/- 1%)	3.03	(2.79)
Change in rate of employee turnover(delta effect of +/- 1%)	0.11	(0.13)
(viii) The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Insurance funds	43.29	49.61
% of total plan assets	100%	100%
(ix) The following payments are expected contributions to the defined benefit plan in future years:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Within the next 12 months (next annual reporting period)	8.27	6.61
Between 2 and 5 years	20.54	21.32
Between 6 and 10 years	21.10	21.96
Beyond 10 years	34.65	36.17
Total expected payments	84.55	86.06
(x) The weighted average duration of the projected benefit obligation at the end of the reporting period is 7 years (31 March 2025: 7 years).		
(xi) The company has estimated and recognised the impact of implementation of New Labour Codes under Employee benefit expenses for the year ended 31 March 2026.		

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

38 FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS, FINANCIAL RISK AND CAPITAL MANAGEMENT:				
(I) Financial Instruments:				
(a) Category-wise Classification of Financial Instruments:				
Particulars	Refer Note	As at 31 March 2026		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in subsidiary companies and Joint Venture Entity	5	-	619.82	619.82
Investment in equity instrument	5	23.00	-	23.00
Trade receivables	10	-	920.40	920.40
Cash and cash equivalents	11	-	7.90	7.90
Other balances with banks	7 & 12	-	41.65	41.65
Loans	6	-	1.07	1.07
Other financial assets	7	-	213.16	213.16
Total		23.00	1,804.00	1,827.00
Financial liabilities				
Borrowings	15 & 20	-	744.72	744.72
Trade payables	21	-	205.62	205.62
Lease liability	18	-	2.83	2.83
Other financial liabilities	16	-	53.74	53.74
Total		-	1,006.91	1,006.91
As at 31 March 2025				
Particulars	Refer Note	As at 31 March 2025		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in subsidiary companies and Joint Venture Entity	5	-	646.89	646.89
Trade receivables	10	-	805.95	805.95
Cash and cash equivalents	11	-	5.45	5.45
Other balances with banks	7 & 12	-	32.46	32.46
Loans	6	-	56.95	56.95
Other financial assets	7	-	232.96	232.96
Total		-	1,780.66	1,780.66
Financial liabilities				
Borrowings	15 & 20	-	1,042.67	1,042.67
Trade payables	21	-	325.33	325.33
Other financial liabilities	16	-	56.03	56.03
Total		-	1,424.03	1,424.03

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

(b) Category-wise Classification of Financial Instruments:

The financial instruments are categorised in to three levels, based on the inputs used to arrive at fair value measurement as described below:

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

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

Level 3 - Inputs based on unobservable market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis:

Financial assets at Fair Value Through Profit and Loss (FVTPL):

Particulars	Fair value		Fair value hierarchy	Valuation technique(s) As at and key input(s)
	As at 31 March 2026	As at 31 March 2025		
Investment in equity instrument (Refer Note 5)	23.00	-	Level 3	Fair value based on discounted cash flow method

(II) Financial risk management:

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk:

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates and interest rates.

(i) Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The major foreign currency exposure for the company is denominated in USD. Additionally, transactions entered into in other currencies are not significant in relation to the total volume of the foreign currency exposures.

The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

Particulars	Liabilities		Assets	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
USD	379.38	538.39	245.34	169.25

The above table represents total exposure of the company towards foreign exchange denominated assets and liabilities.

For the years ended 31 March 2026 and 31 March 2025, every 1% depreciation/appreciation in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would affect the Company's net profit by approximately INR 1.34 million and INR 3.69 million respectively.

Particulars	Impact on Profit & Loss		Impact on Equity	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
USD Sensitivity				
Rupee/USD - Increase by 1%	(1.34)	(3.69)	(1.34)	(3.69)
Rupee/USD - Decrease by 1%	1.34	3.69	1.34	3.69

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

(ii) Interest Rate Risk:

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of rupee loans carrying a floating rate of interest and USD External Commercial Borrowing carrying a floating SOFR linked Interest rate.

Variable-rate instruments	As at 31 March 2026	As at 31 March 2025
Term Loans from Banks	124.73	222.94
External Commercial Borrowings	376.94	533.32
Cash Credit from Bank	243.05	286.41
Total	744.72	1,042.67

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designated derivatives (interest rate swaps). The exposure of Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	Impact on Profit & Loss	
	As at 31 March 2026	As at 31 March 2025
a) Long Term Borrowings Sensitivity		
100 bp Increase	(5.02)	(7.56)
100 bp decrease	5.02	7.56
b) Short Term Borrowings Sensitivity		
100 bp Increase	(2.43)	(2.86)
100 bp decrease	2.43	2.86

(b) Credit Risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The customers are categorised based on the nature of transaction and the credit risk associated with them is managed through credit approvals, establishing credit limits and continuously monitoring of the creditworthiness of the counterparty to which the company grant credit terms in the normal course of business. The Company uses publicly available financial information and its own trading records to rate its major customers.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For this 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 various customers.

Other receivables consist primarily of security deposits, loans and other receivables. The risk of default is assessed as low.

(c) Liquidity Risk:

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

(Based on contractual undiscounted payments)

Particular	Maturity Profile of financial liabilities as at 31 March 2026				Total
	Within 1 Year	1-2 Years	2-5 Years	> 5 Years	
Borrowings	530.54	217.14	2.50	-	750.18
Trade Payable	205.62	-	-	-	205.62
Lease Liability	0.78	0.78	1.87	-	3.43
Other Financial Liabilities	43.52	10.22	-	-	53.74
Total	780.46	228.14	4.37	-	1,012.97

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

Maturity Profiles of financial liabilities as at 31 March 2025					
Particular	Within 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
Borrowings	532.24	266.10	252.47	-	1,050.81
Trade Payable	325.33	-	-	-	325.33
Other Financial Liabilities	48.20	7.83	-	-	56.03
Total	905.77	273.93	252.47	-	1,432.17

(iii) Capital management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximise shareholders' value, safeguarding the business continuity and help in supporting the growth of the Company.

As at 31 March 2026, the Company meets its capital requirement through equity and borrowings from banks. The Company monitors its capital and debt on basis of debt to equity ratio.

The debt-equity ratio for the reporting period is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Total Borrowings	747.55	1,042.67
Total Equity	3,851.82	3,390.87
Debt-Equity ratio	0.19	0.31

39 DISCLOSURE OF SIGNIFICANT INTEREST IN SUBSIDIARIES AS PER PARAGRAPH 17 OF IND AS 27:

Sr No.	Name of Entity	Principal activities	Country of Incorporation	Ownership %	
				As at 31 March 2026	As at 31 March 2025
1	Hester Biosciences Nepal Private Limited	Manufacturing of goods	Nepal	65%	65%
2	Texas Lifesciences Private Limited (Refer Note 24.1)	Manufacturing of goods	India	-	55%
3	Hester Biosciences Africa Limited	Manufacturing of goods	Tanzania	100%	100%
4	Hester Biosciences Kenya Limited	Trading of goods	Kenya	100%	100%
5	Thrishool Exim Limited (Joint Venture entity)	Trading of goods	Tanzania	50%	50%

Notes:

- Method of accounting investment in subsidiary is at cost
- Method of accounting investment in Joint venture entity is at cost

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

40 SEGMENT INFORMATION:

(i) Identification of Segments:

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Management Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 Operating Segments), in deciding how to allocate resources and in assessing performance. The Company is principally engaged in manufacturing of Poultry vaccines and Large Animal Vaccines and trading of Poultry, Large animal and Pet health products. The CEO and Managing Director(CMD) and senior management of the Company constitutes the CODM of the Company.

The Company has two principal operating and reporting segments viz. Poultry Healthcare and Animal Healthcare (Ruminant and Pet). The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

(ii) Information about product and services:

Particulars	Poultry Healthcare	Animal Healthcare	Others	Total
Year Ended 31 March 2026				
Segment Revenue				
Revenue from operations	2,061.31	860.05	-	2,921.36
Identifiable Segment Expenses	(1,479.92)	(696.20)	-	(2,176.12)
Segment Results	581.39	163.85	-	745.24
Less: Unallocable Finance Cost				71.69
Less: Other Unallocable Expense (net)				(23.27)
Profit before Tax				696.82
Less: Tax Expense				175.82
Net Profit after Tax				521.00
Year Ended 31 March 2025				
Segment Revenue				
Revenue from operations	1,665.83	1,198.83	-	2,864.66
Identifiable Segment Expenses	(1,401.80)	(944.11)	-	(2,345.91)
Segment Results	264.03	254.72	-	518.75
Less: Unallocable Finance Cost				53.67
Less: Other Unallocable Income (net)				47.48
Profit before Tax				417.60
Less: Tax Expense				99.18
Net Profit after Tax				318.42

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

Other Information:				
Particulars	Poultry Healthcare	Animal Healthcare	Others	Total
Year Ended 31 March 2026				
Segment Assets	1,229.93	679.80	-	1,909.73
Unallocated Assets				3,663.73
Total				5,573.46
Segment Liabilities	156.69	100.48	-	257.17
Unallocated Liabilities				1,464.47
Total				1,721.64
Non cash items	34.96	-	-	34.96
Capital Expenditure	5.46	15.43	-	20.89
Unallocated Non cash items				1.26
Unallocated Capital Expenditure				179.24
Year Ended 31 March 2025				
Segment Assets	2,522.99	587.54	2.85	3,113.38
Unallocated Assets				2,346.58
Total				5,459.96
Segment Liabilities	172.32	164.06	-	336.38
Unallocated Liabilities				1,732.71
Total				2,069.09
Non cash items	5.74	0.17	-	5.91
Capital Expenditure	146.81	6.48	-	153.29

Notes:

- Others segment include sale of other Pharmaceutical products.
- Unallocated assets comprise Property, Plant and Equipment and other assets pertaining to the BSL-3 and Fill Finish facilities capitalised during the year. As these facilities are intended to support operations across multiple segments and the associated economic benefits are expected to be derived jointly by both segments, the related assets have not been specifically allocated to any individual segment and are accordingly disclosed as unallocated assets.

(iii) Secondary Reportable Segment (Geographical):

Particulars	In India	Outside India	Total
Segment Revenue			
Year ended 31 March 2026	2,611.21	310.15	2,921.36
Year ended 31 March 2025	2,603.15	261.51	2,864.66
Non-current operating assets			
Year ended 31 March 2026	3,010.46	-	3,010.46
Year ended 31 March 2025	2,906.86	-	2,906.86

Information about major customers

The Company did not have any revenue from a particular customer which exceeded 10% of total revenue.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

41 RATIO ANALYSIS AND ITS ELEMENTS:							
Sr. No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
(a)	Current ratio	Current assets	Current liabilities	2.06	1.92	8%	-
(b)	Debt-equity ratio	Total debt	Shareholder's equity	0.19	0.31	(37%)	Reduction in borrowings has resulted in improvement of ratio
(c)	Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Interest expense + Non-cash operating expenses	Debt service=Interest & Lease Payments + Principal Repayments	2.07	1.48	40%	Due to increase in profit during the year
(d)	Return on equity ratio (%)	Net profit after tax	Average shareholder's equity	14.39%	9.77%	47%	Due to increase in profit during the year
(e)	Inventory turnover ratio	Sales	Average inventory	4.93	4.51	9%	-
(f)	Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	3.38	3.44	(2%)	-
(g)	Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average trade payable	6.04	5.30	14%	-
(h)	Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	2.99	3.24	(8%)	-
(i)	Net profit ratio (%)	Net profit after tax	Net sales = Total sales - sales return	17.83%	11.12%	60%	Due to increase in profit during the year
(j)	Return on capital employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	16.30%	10.43%	56%	Due to increase in profit during the year
(k)	Return on Investment (%)	Gain on fair value of current investment at Fair Value through Profit & Loss + Gain on Sale of Investment in Subsidiary.	Average Investment	13.6%	NA	100%	During the year there is gain on sale of investment in subsidiary which was not in previous year

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

42	OTHER STATUTORY INFORMATION:
a)	The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
b)	Title deeds of all the immovable properties comprising of land/ buildings as disclosed in standalone financial statements, are held in the name of the Company.
c)	The Company does not have any transactions or balances with companies struck off.
d)	The Company does not have any such transaction 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.
e)	The Company has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken.
f)	The Company was not declared wilful defaulter by any bank or financial Institution or other lender.
g)	The Company has not advanced or loaned or invested funds (either borrowed funds or security premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
h)	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: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
i)	There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
j)	The quarterly Stock Statements as submitted to the Banks are materially in agreement with the books of account of the Company.
k)	The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

43	EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:
	The Company evaluates events and transactions that occur subsequent to the Balance Sheet date prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 15 May 2026 there were no subsequent event to be recognised or reported that are not already disclosed elsewhere in these Financial Statements.

44	RECENT PRONOUNCEMENTS
	The Ministry of Corporate Affairs, vide notifications dated 13 August 2025 has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, amending several Indian Accounting Standards as detailed below. These amendments are primarily effective for annual periods beginning on or after 1 April 2026. Key amendments include: Ind AS 1 - Changes in classification and disclosure requirements for liabilities, especially those arising from loan arrangements with covenants. The Company is in the process of evaluating the impact of these amendments on its financial statements. Based on preliminary assessment, the amendments are not expected to have a material effect on the Company's financial position or performance for the year ended 31 March 2026. However, additional disclosures may be required in future periods upon application of these amendments. The Company will implement these amendments as and when they become applicable.

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475
Date 15 May 2026
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Ashish Desai
Chief Financial Officer

Vinod Mali
Company Secretary
Date 15 May 2026
Place Kadi, Mehsana



INDEPENDENT AUDITOR'S REPORT

To the Members of
Hester Biosciences Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated financial statements of Hester Biosciences Limited (the 'Holding Company'), its subsidiary company and joint venture entity (hereinafter referred to as "the Group") which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of subsidiaries and on the other financial information of the subsidiaries and joint venture entity, the aforesaid Consolidated Financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2026, their consolidated profit including other comprehensive income, their consolidated statement of changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and

the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (1) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Sr.	Key Audit Matters	Auditor's Response
1	Carrying Value of Trade Receivables	
	<p>The Group has Trade Receivables of carrying value INR 953.56 million net of allowance for expected credit loss which constitutes about 14% of the total assets of the company.</p> <p>We have considered the Trade Receivables as a key audit matter as the ascertainment of allowance for expected credit loss of trade receivables require significant management judgement.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We have understood and tested the design and operating effectiveness of controls established by the management in determining recoverability of trade receivables. • Performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. • Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for Impairment of trade receivables, by analysing the ageing of receivables, assessing significant overdue trade receivables. • Tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the trade with the customers, invoices raised, etc., as a part of our audit procedures. Furthermore, we assessed the adequacy and appropriateness of the disclosures in the financial statements. • Discussed with the holding company management any disputes between the parties involved, attempts by management to recover the outstanding amounts and the credit status of significant counterparties available. • In assessing the appropriateness of the overall provision for expected credit losses, we considered management's policy for recognising provisions and compared the Company's provisioning against Simplified Approach of ECL. • Considered the completeness and accuracy of the disclosures.
2	Valuation of Inventories	
	<p>The Group has an Inventory carrying value INR 725.33 million, which is around 22 % of its revenue from operations, including Raw Materials, Packing Material, Work in progress, Finished Goods and Traded Goods.</p> <p>We have considered the valuation of inventories as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors in determination of inventory value. The inventory valuation of the company involves complex procedures estimating the costs incurred, overheads applied and identification for slow moving, expired and obsolete inventory and ascertainment of net realisable value.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We understood and tested the design and operating effectiveness of controls as established by the management in determination of valuation of inventory. • Assessing the appropriateness of the Company's accounting policy for valuation of inventories and its compliance with the requirements of the prevailing accounting standards. • Various factors considered including the estimation of costs, overheads incurred, actual selling prices prevailing around and after the year-end. • Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value. • Considered the process of periodical physical verification of inventory carried out by the management. • Evaluated the design and operating effectiveness of controls as established by the management in determination of slow moving, products banned by government, expired and obsolete inventory. • Assessed the completeness and accuracy of the disclosures made in accordance with IND AS 2 ("Inventories"). • Attended the physical inventory counts at selected locations, observing count procedures, performing test counts, evaluating management's inventory instructions and obtaining confirmations from third parties where applicable.

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

The Holding 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 Management Discussion & Analysis but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial statements does not cover the Other Information other than the financial statements and auditor's report thereon and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group including its Joint venture in accordance with the IND AS and accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the

consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing financial reporting process of the Group and of its joint venture.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Holding Company has an 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial statements, including the disclosures, and whether the Consolidated Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The accompanying consolidated financial statement includes the audited financial statements and other financial information, in respect of the 3 subsidiaries and 1 step down subsidiary, whose financial statements reflect total assets of INR 1,875.37 million as at 31 March 2026 and total revenue of INR 533.61 million, total net profit / (loss) after tax of INR 14.25 million and total comprehensive income / (loss) of INR 6.67 million for the year ended on that date, and net cash inflows / (outflows) of INR (16.53) million for the year ended 31 March 2026 as considered in the consolidated financial statement which have been audited by their respective independent auditors.

The independent auditors' reports on the financial statements of the above referred entities have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

2. The accompanying consolidated financial statement includes the group's share of net profit after tax of INR 63.73 million for the year ended on 31 March 2026 in respect of 1 joint venture entity, whose audited financial statements have been audited by its Independent auditor have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the joint

venture entity, is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

3. Those subsidiaries and joint venture entity who are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries as per their Financial Reporting Standards ('local GAAP'). The Holding Company's management has converted the financial statements of such subsidiaries and joint venture entity from Local GAAP to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the conversion adjustments prepared by the management of the Holding company and audited by us.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding company, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial statements.
 - b. In our opinion, proper books of account as required by law have been kept by the Holding Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books, SOC Type I & II report and other records and details provided to us.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial statements.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, specified under section 133 of the Act.
 - e. On the basis of the written representations received from the directors, taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31 March 2026, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and according to the information and explanation given to us by the management, the remuneration paid/provided during the Current Year by the Holding Company to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act.
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matters" paragraph:
- a. The Group has no pending litigations having any material impact on its financial position in its financial statements except as stated in note 33 of the consolidated financial statements;
 - b. The Group did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2026.
 - d.
 - i. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company incorporated in India or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - ii. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary company incorporated in India from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or its subsidiary company incorporated in India shall, 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.
 - iii. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us in this regard, 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 (d) (i) and (ii) above, contain any material misstatement.
 - e.
 - i. The final dividend proposed in the previous year, declared, and paid by the Holding company during the year, is in accordance with Section 123 of the Act, as applicable.
 - ii. The Board of Directors of the Holding Company has proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- f. Based on our examination which included test checks performed by us and the respective auditor of the subsidiary, which is incorporated in India, and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, we report that-

The Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and based on the SOC Type I & II report for

such software provided to us, it can be derived that the audit trail has 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.

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

For, Chandulal M. Shah & Co.

Chartered Accountants
FRN 101698W

Irshad I. Mansuri

Partner
M. No.: 135475
UDIN: 26135475MKMEHZ7365

Date 15 May 2026

Place Ahmedabad

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HESTER BIOSCIENCES LIMITED

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

In conjunction with our audit of the Consolidated Financial statements of the company as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls with reference to Consolidated Financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial

statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial statements include those policies and procedures that-

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

company are being made only in accordance with authorisations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial statements to future periods

are subject to the risk that the internal financial control with reference to Consolidated Financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and subsidiary company incorporated in India, have maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial statements and such internal financial controls with reference to Consolidated Financial statements were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the such companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Chandulal M. Shah & Co.

Chartered Accountants
FRN 101698W

Irshad I. Mansuri

Partner
M. No.: 135475
UDIN: 26135475MKMEHZ7365

Date 15 May 2026

Place Ahmedabad

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2026

(All amounts are in INR Million, unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	4,110.62	2,326.81
(b) Capital Work-in-Progress	3	-	1,766.72
(c) Other Intangible Assets	4	3.95	6.28
(d) Intangible Assets under Development	4	93.27	60.29
(e) Financial Assets			
(i) Investments	5	425.75	340.51
(ii) Other Financial Assets	6	22.88	55.82
(f) Other Non-current Assets	7	37.32	25.68
Total Non-current Assets		4,693.79	4,582.11
Current assets			
(a) Inventories	8	725.33	703.77
(b) Financial Assets			
(i) Trade Receivables	9	953.56	731.81
(ii) Cash and Cash Equivalents	10	27.67	55.87
(iii) Bank Balances other than (ii) above	11	37.71	16.32
(iv) Loans	12	1.07	57.56
(v) Other Financial Assets	6	209.52	201.70
(c) Other Current Assets	7	130.76	184.71
Total Current Assets		2,085.62	1,951.74
Total Assets		6,779.41	6,533.85
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	13	85.07	85.07
(b) Other equity	14	3,517.28	3,057.48
Equity Attributable to Owners		3,602.35	3,142.55
(c) Non Controlling Interest		75.54	124.01
Total Equity		3,677.89	3,266.56
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	899.64	1,333.68
(ii) Lease Liabilities	16	63.11	54.75
(iii) Other Financial Liabilities	17	10.23	7.95
(b) Non-current Provision	18	23.36	27.53
(c) Deferred Tax Liabilities (Net)	31	88.08	59.33
(d) Other Non-current Liabilities	19	492.32	532.21
Total Non-current Liabilities		1,576.74	2,015.45
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	982.91	744.07
(ii) Lease Liabilities	16	2.28	-
(iii) Trade Payables	21	246.80	294.19
(iv) Other Financial Liabilities	17	139.92	103.61
(b) Other Current Liabilities	19	87.56	59.51
(c) Provisions	18	15.29	10.29
(d) Current Tax Liabilities	22	50.02	40.17
Total Current Liabilities		1,524.78	1,251.84
Total Liabilities		3,101.52	3,267.29
Total Equity and Liabilities		6,779.41	6,533.85

The accompanying notes are an integral part of the Consolidated Financial Statements.

In terms of our report attached
For Chandulal M. Shah & Co.
 Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri

Partner **Date** 15 May 2026
 Membership No.: 135475 **Place** Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
 CEO & Managing Director
 DIN: 00438037

Priya Gandhi
 Executive Director
 DIN: 06998979

Ashish Desai
 Chief Financial Officer

Vinod Mali **Date** 15 May 2026
 Company Secretary **Place** Kadi, Mehsana

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2026

(All amounts are in INR Million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Income			
Revenue from operations	23	3,325.99	3,111.02
Other income	24	96.84	39.24
Total income		3,422.83	3,150.26
Expenses			
Cost of raw material and components consumed	25	706.22	639.46
Purchases of stock-in-trade	26	157.45	175.99
Change in inventories of finished goods, traded goods and work-in-progress	27	(44.08)	67.78
Employee benefits expense	28	626.67	624.24
Finance cost	29	109.34	127.03
Depreciation and amortisation expense		188.81	168.02
Other expenses	30	1,013.15	993.03
Total expenses		2,757.56	2,795.55
Profit before Share of Profit of Joint Venture entity, exceptional items and tax		665.27	354.71
Share of Profit in Joint Venture entity		63.73	41.00
Profit before exceptional items and tax		729.00	395.71
Exceptional items	24 (1)	29.36	-
Profit before tax		758.36	395.71
Tax expense:	31		
Current tax		151.88	126.71
Tax adjustment of earlier years		(0.45)	(4.48)
Deferred tax		32.09	(14.78)
Total tax expense		183.52	107.45
Profit after tax		574.84	288.26
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement (loss)/gain on defined benefit plans		(0.47)	(5.43)
Income tax impact		0.12	1.37
Items that will be reclassified to profit or loss			
Foreign currency translation reserve		(22.93)	4.65
Income tax impact		-	-
Total Other Comprehensive Income		(23.28)	0.59
Total Comprehensive Income		551.56	288.85
Profit for the year attributable to:			
(i) Owners of the Company		556.39	274.88
(ii) Non Controlling Interest		18.45	13.38
Other Comprehensive Income for the year attributable to:			
(i) Owners of the Company		(23.35)	0.78
(ii) Non Controlling Interest		0.07	(0.19)
Total Comprehensive Income for the year attributable to:			
(i) Owners of the Company		533.04	275.66
(ii) Non Controlling Interest		18.52	13.19
Earnings Per Equity Share (EPS)			
Basic and Diluted (Face Value INR 10 Per Share) (INR)	34	67.57	33.89

The accompanying notes are an integral part of the Consolidated Financial Statements.

In terms of our report attached

For Chandulal M. Shah & Co.

Firm Registration No.: 101698W

Chartered Accountants

Irshad I. Mansuri

Partner

Date 15 May 2026

Membership No.: 135475

Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi

CEO & Managing Director

DIN: 00438037

Priya Gandhi

Executive Director

DIN: 06998979

Ashish Desai

Chief Financial Officer

Vinod Mali

Company Secretary

Date

15 May 2026

Place

Kadi, Mehsana

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

(All amounts are in INR Million, unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
A. Cash Flow from Operating Activities		
Profit Before Tax	758.36	395.71
Adjustments for:		
Depreciation and amortisation expense	188.81	168.02
Share of profit in joint venture entity	(63.73)	(41.00)
Gain on sale of investment in subsidiary	(29.36)	-
Net gain on assets measured at fair value through profit or loss	(17.57)	-
Provision for doubtful debt	31.35	44.71
Bad debts written off	36.01	-
Loss on sale of property, plant and equipment	2.04	4.86
Liabilities no longer required written back (net)	-	(0.99)
Amortisation of deferred grant	(8.22)	(5.07)
Interest expense	99.77	122.17
Interest on lease liability	3.48	-
Unrealised foreign exchange loss/(gain)	108.95	(7.67)
Interest income	(15.79)	(20.37)
Operating profit before working capital changes	1,094.10	660.37
Adjustments for:		
Trade receivables	(291.29)	16.15
Inventories	(35.52)	52.04
Other assets	(8.74)	19.85
Trade payables	(31.19)	36.51
Other liabilities	1.76	(5.77)
Provisions	6.59	(0.55)
Loans	1.30	1.00
Other financial liability	25.40	(14.16)
Other financial assets	20.24	(5.62)
Cash Generated From Operations	782.65	759.82
Income tax paid (net)	(141.24)	(114.71)
Net cash generated from operating activities (A)	641.41	645.11
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment, including capital advances and capital work-in-progress and on intangible assets	(178.28)	(205.91)
Proceeds from sale of subsidiary	79.60	-
Proceeds from sale of property, plant and equipment	3.87	2.74
Loans given received back	55.00	-
Interest received	20.31	8.26
(Decrease)/Increase in other bank balances	(9.19)	4.88
Net cash used in investing activities (B)	(28.69)	(190.03)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

(All amounts are in INR Million, unless otherwise stated)

C. Cash flow from financing activities		
Repayment of long term borrowings	(305.60)	(313.44)
Repayment of short-term borrowings (net)	(52.93)	(17.72)
Payment of principal portion of lease liabilities	(2.74)	(3.06)
Interest Paid	(66.41)	(131.27)
Dividend Paid	(60.26)	(51.68)
Net cash used in financing activities (C)	(487.94)	(517.17)
Exchange rate fluctuation arising on consolidation (D)	(148.80)	(5.11)
Cash and cash equivalents transferred due to cessation of subsidiary (Refer Note 40) (E)	(4.18)	-
Net decrease in cash and cash equivalents (A)+(B)+(C)+(D)+(E)	(28.20)	(67.20)
Cash and cash equivalents at the beginning of the year	55.87	123.07
Cash and cash equivalents at the end of the year	27.67	55.87
Cash and cash equivalents as per above comprise of the following:		
Cash on Hand	9.06	3.47
Balance with Banks	18.61	52.40
	27.67	55.87

Notes:

- The Consolidated Statement of Cash Flow has been prepared under the 'Indirect Method' set out in "Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows" issued by the Institute of Chartered Accountants of India.
- Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below:

Particulars	As at 1 April 2025	Addition during the year	Cash Outflows	Interest on lease liability	Foreign Exchange Loss/(Gain)	As at 31 March 2026
Long term borrowings	1,781.96	-	(305.60)	-	163.33	1,639.69
Short term borrowings	295.79	-	(52.93)	-	-	242.86
Lease liability	54.75	3.23	(2.74)	3.48	6.67	65.39
Total	2,132.50	3.23	(361.27)	3.48	170.00	1,947.94

Particulars	As at 1 April 2024	Addition during the year	Cash Outflows	Interest on lease liability	Foreign Exchange Loss/(Gain)	As at 31 March 2025
Long term borrowings	2,076.91	-	(313.44)	-	18.49	1,781.96
Short term borrowings	313.51	-	(17.72)	-	-	295.79
Lease liability	53.36	-	(3.06)	3.13	1.32	54.75
Total	2,443.78	-	(334.22)	3.13	19.81	2,132.50

In terms of our report attached
For Chandulal M. Shah & Co.
 Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
 Partner **Date** 15 May 2026
 Membership No.: 135475 **Place** Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
 CEO & Managing Director
 DIN: 00438037

Priya Gandhi
 Executive Director
 DIN: 06998979

Ashish Desai
 Chief Financial Officer

Vinod Mali **Date** 15 May 2026
 Company Secretary **Place** Kadi, Mehsana

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

(All amounts are in INR Million, unless otherwise stated)

A EQUITY SHARE CAPITAL

Equity shares of INR 10 each issued, subscribed and fully paid	Number of shares	Amount
As at 1 April 2024	8,506,865	85.07
Issue of Equity Share Capital	-	-
As at 31 March 2025	8,506,865	85.07
Issue of Equity Share Capital	-	-
As at 31 March 2026	8,506,865	85.07

B OTHER EQUITY

Particulars	Reserves and Surplus					Total	Non Controlling Interest
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Foreign Currency Translation Reserve		
Balance as at 1 April 2024	82.56	175.07	392.26	2,150.89	32.08	2,832.86	110.82
Profit for the Year	-	-	-	274.88	-	274.88	13.38
Other comprehensive income for the year							
Re-measurement gain on defined benefit plan (net of tax)	-	-	-	(3.87)	-	(3.87)	(0.19)
Exchange differences on translating the financial statements	-	-	-	-	4.65	4.65	-
Total comprehensive income for the year	-	-	-	271.01	4.65	275.66	13.19
Dividends paid	-	-	-	(51.04)	-	(51.04)	-
Balance as at 31 March 2025	82.56	175.07	392.26	2,370.86	36.73	3,057.48	124.01
Profit for the Year	-	-	-	556.39	-	556.39	18.45
Other comprehensive income for the year							
Re-measurement gain on defined benefit plan (net of tax)	-	-	-	(0.42)	-	(0.42)	0.07
Exchange differences on translating the financial statements	-	-	-	-	(22.93)	(22.93)	-
Reduction in balance due to cessation of subsidiary (Refer Note 40)	(13.69)	-	-	-	-	(13.69)	(66.99)
Total comprehensive income for the year	(13.69)	-	-	555.97	(22.93)	519.35	(48.47)
Dividends paid	-	-	-	(59.55)	-	(59.55)	-
Balance as at 31 March 2026	68.87	175.07	392.26	2,867.28	13.80	3,517.28	75.54

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner **Date** 15 May 2026
Membership No.: 135475 **Place** Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Ashish Desai
Chief Financial Officer

Vinod Mali **Date** 15 May 2026
Company Secretary **Place** Kadi, Mehsana

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1 CORPORATE INFORMATION

Hester Biosciences Limited (CIN: L99999GJ1987PLC022333) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The HQ and Registered Office of the Company is located at Village Meda-Adraj, Taluka Kadi, Mehsana District, Gujarat 384441.

The Group is principally engaged in manufacturing of veterinary vaccines and trading of veterinary health products having its manufacturing set up at Meda Adraj village, Mehsana District, Gujarat, India and at Kathmandu, Nepal and Kibaha, Tanzania. The Group has two principal operating and reporting segments viz. Poultry Healthcare and Animal Healthcare (Ruminant and Pet).

The consolidated financial statements were approved by the Board of Directors based on recommendation of the Audit Committee of the Company at their meeting held on 15 May 2026.

2 BASIS OF PREPARATION:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) including the Companies (Indian Accounting Standards) Amendment Rules, 2019 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements of the Group.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value and derivative financial instruments:

- i) Defined benefit plans - plan assets measured at fair value
- ii) Unquoted Investments in equity instruments - at fair value through profit and loss

The consolidated financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except where otherwise indicated.

1. MATERIAL ACCOUNTING POLICY INFORMATION

a PRINCIPLES OF CONSOLIDATION :

The consolidated financial statements comprises the financial statements of the Company and its subsidiaries and Joint Venture Entity. In the preparation of consolidated financial statements, investment in subsidiary has been accounted for in accordance with Ind AS 110 on 'Consolidated Financial Statements' and investment in Joint Venture has been accounted in accordance with Ind AS 28 on Investments in Associates and Joint Ventures. Consolidated financial statements have been prepared on the following basis:

- i) Subsidiary is fully consolidated from the date of incorporation, being the date on which the Company obtains control and continues to be consolidated until the date that such control ceases (including through voting rights). Subsidiary has been consolidated on a line- by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealised profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full.
- ii) Investment in Joint Venture Entity has been accounted as per the Equity method as prescribed under Ind AS 28. Investment in joint venture entity is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the joint venture entity after the date of acquisition.
- iii) Financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company's stand-alone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Any deviation in accounting policies is disclosed separately.
- iv) On consolidation, the assets and liabilities of foreign operations are translated into INR at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of transactions. The exchange differences arising on translation for consolidation are recognised through foreign currency translation reserves.
- v) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- vi) The subsidiaries and joint venture entity considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation
Texas Lifesciences Private Limited (till 27 March 2026)	India
Hester Biosciences Nepal Private Limited	Nepal
Hester Biosciences Africa Limited	Tanzania
Hester Biosciences Kenya Limited	Kenya
Hester Biosciences Tanzania Limited (Step-down subsidiary)	Tanzania
Thrishool Exim Limited (Joint Venture entity)	Tanzania

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

b OPERATING CYCLE AND CURRENT/NON-CURRENT CLASSIFICATION:

All the assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised 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.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is 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.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained twelve months as its operating cycle.

c FOREIGN CURRENCIES:

The Group's consolidated financial statements are presented in (Rupees), which is also the Group's functional currency. The Group determines the functional currency and items included in the consolidated financial statements are measured using that functional currency.

Transactions and balances:

Transactions in foreign currencies are initially recorded in the Group's functional currency at the exchange rates prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements.

Exchange differences arising on settlement of such transactions and on translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

d REVENUE RECOGNITION:

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods and the amount of revenue can be measured reliably. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Sale of goods is recorded net of returns, trade discounts, rebates, Goods and Service Tax.

Revenue from services are recognised as the related services are performed. The transaction price of service rendered is net of variable consideration.

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivables:

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of consideration is due). Refer to accounting policies of financial assets in financial instruments-initial recognition and subsequent measurement.

Contract Liabilities (Advance from customers):

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is Contract liabilities (advance from customers) are recognised as revenue when the Group performs under the contract.

Interest income primarily comprises of interest from term deposits with banks and on loans given. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Export incentives are recognised when the right to receive them as per the terms of the entitlement is established in respect of exports made.

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

e PROPERTY, PLANT AND EQUIPMENT :

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred except for high values which are capitalised.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Capital assets under erection/installation are stated at cost in the Balance Sheet as "Capital Work-in-Progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other non current assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

f INTANGIBLE ASSETS :

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Except development costs which are capitalised, internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Capital assets under development are stated at cost in the Balance Sheet as "Intangible Asset under Development".

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition 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 derecognised.

Particulars	Estimated Useful Life
Software	Over a Period of 6 Years
Product Registration fees	Over a Period of 10 Years

g DEPRECIATION / AMORTISATION :

Depreciation on Property, Plant and Equipment is provided on Straight Line Method (SLM) based on useful life of the assets as prescribed under Part-C of Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used. The Management estimates the useful lives for such Property, Plant & Equipment as under:

Particulars	Estimated Useful Life
Factory Roads Carpeted - RCC	Over a Period of 15 Years
Tubewell	Over a Period of 30 Years
Plant & Machineries, Equipment, Electrical Installation and Utilities	Over a Period of 5 to 15 Years

The Company believes that these estimated useful lives reflect a fair approximation of the period over which the assets are likely to be used.

h IMPAIRMENT OF NON - FINANCIAL ASSET - Property, Plant and Equipment and Intangible Assets:

The group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, assets' carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

i INVENTORIES:

Inventories include raw materials, bought out components, work-in-progress and manufactured finished goods. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Finished products:

Finished products produced by the group are valued at lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads.

Traded goods:

Traded goods cost includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost is determined using First in First out (FIFO) method.

Work in Progress:

Work in Progress is valued at cost of direct materials, labour and other Manufacturing overheads up to estimated stage of process.

Raw materials, stores, spares and others:

Raw materials, stores, spares and others are valued at Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined using First in First out (FIFO) method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

j BORROWING COSTS:

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 capitalised 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.

k LEASES:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

I PROVISION FOR RETIREMENT BENEFITS:

(i) Short-Term Employee Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(ii) Post-employment Benefit plans:

a) Defined Contribution Plan:

Contribution for provident fund are accrued in accordance with applicable Statutes and deposited with the Regional Provident Fund Commissioner. The Group does not have any obligation other than contribution under scheme.

b) Defined Benefit Plan:

The Holding Company operates two defined benefit plans for its employees, viz., Gratuity and Leave Encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognised in full in the period in which they occur.

The Indian subsidiary operates defined benefit plans for its employees for Gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognised in full in the period in which they occur. The Indian subsidiary company has not invested in any fund for meeting liability.

Remeasurement, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement are not reclassified to profit or loss in subsequent periods.

m EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

n CASH AND CASH EQUIVALENTS:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

o OTHER BANK BALANCES:

Other Bank Balances in the balance sheet comprise short-term deposits with an original maturity of more than three months and having maturity less than twelve months.

p FINANCIAL INSTRUMENTS:

(i) Financial Asset:

(a) Classification:

On initial recognition the group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(b) Initial recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(c) Subsequent measurement:

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

- Financial assets instruments at amortised cost (debt instruments)
 - Financial assets at fair value through other comprehensive income (FVTOCI).
 - Financial assets at fair value through profit or loss (FVTPL) (Derivatives and Equity Instruments)
-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(d) Financial assets at amortised cost:

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- 1) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 2) 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. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised.

(e) Financial assets at fair value through OCI (FVTOCI):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

(f) Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

(g) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (i) the group has transferred substantially all the risks and rewards of the asset, or
 - (ii) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the statement of profit and loss.

(h) 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 on the following financial assets and credit risk exposure:

- (i) financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- (ii) trade receivables: The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(ii) Financial Liabilities:

(a) Classification:

The group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

(b) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans and borrowings, and payables), or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(c) Subsequent measurement:

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at amortised cost (loans and borrowings).

(d) Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

(e) Financial liabilities at amortised cost (loans and borrowings):

After initial recognition, interest-bearing financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

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

This category generally applies to interest-bearing loans and borrowings.

(f) Derecognition:

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q TAXATION:

i. Current Tax:

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to realise the asset or to settle the liability on a net basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

ii. Deferred Tax:

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Standalone Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

r GRANTS:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Company has treated waiver of duty under EPCG Scheme received as Government assistance as capital grant as the same is received to compensate the import cost of the asset wherein conditions relating to export of goods are subsidiary conditions. The said assistance has been netted off against the value of the respective asset so imported. The grant is recognised in profit & loss over the life of a depreciable asset as a reduced depreciation expense.

s PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

t SEGMENT REPORTING:

The Company's Chief Operating Decision Maker (CODM) examines the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Company, which primarily relate to poultry healthcare and animal healthcare.

2. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 group based its assumptions and estimates on parameters available when the 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 group. Such changes are reflected in the assumptions when they occur.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

a Defined benefit plans (gratuity benefits):

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 36.

b Useful life of Property, Plant and Equipment and Intangible assets:

Property, Plant and Equipment and Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value.

Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes.

The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

c Expected Credit Loss

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer relationship, customer type and rating).

For the purpose of measuring lifetime expected credit loss allowance of trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which considers historical credit loss experience and adjusted for forward-looking information.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT:								
Particulars	Freehold Land	Right to use Assets	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Computer	Total
Gross Block								
As at 1 April 2024	136.36	57.90	1,554.24	1,864.43	85.02	68.02	35.62	3,801.59
Additions	-	-	4.64	106.20	2.80	0.10	1.34	115.08
Disposals	-	-	0.02	15.35	-	1.03	1.14	17.54
Translation Reserve	-	1.32	(7.11)	(5.33)	(0.10)	(0.03)	(0.04)	(11.29)
As at 31 March 2025	136.36	59.22	1,551.75	1,949.95	87.72	67.06	35.78	3,887.84
Additions	-	3.73	372.09	1,528.35	21.74	12.98	0.78	1,939.67
Disposals	-	-	-	19.33	0.13	15.50	1.12	36.06
Translation Reserve	-	5.98	87.47	66.06	1.23	0.36	0.57	161.67
Transferred due to cessation of subsidiary (Refer Note 40)	52.82	-	23.85	26.13	4.26	0.10	1.80	108.96
As at 31 March 2026	83.54	68.93	1,987.46	3,498.90	106.30	64.80	34.21	5,844.14
Depreciation and Amortisation								
As at 1 April 2024	-	6.56	346.13	923.60	57.22	45.91	27.47	1,406.89
Charge for the Year	-	2.00	59.79	90.54	4.26	5.09	3.85	165.53
Deductions	-	-	0.01	7.04	-	0.98	1.09	9.12
Translation Reserve	-	0.07	(0.74)	(1.51)	(0.03)	(0.03)	(0.03)	(2.27)
As at 31 March 2025	-	8.63	405.17	1,005.59	61.45	49.99	30.20	1,561.03
Charge for the Year	-	2.67	63.04	108.45	4.56	4.95	2.76	186.43
Deductions	-	-	-	15.76	0.10	13.28	1.03	30.17
Translation Reserve	-	0.58	11.01	21.76	0.50	0.28	0.69	34.82
Transferred due to cessation of subsidiary (Refer Note 40)	-	-	5.14	10.29	1.58	-	1.58	18.59
As at 31 March 2026	-	11.88	474.08	1,109.75	64.83	41.94	31.04	1,733.52
Net Block								
As at 31 March 2025	136.36	50.59	1,146.58	944.36	26.27	17.07	5.58	2,326.81
As at 31 March 2026	83.54	57.05	1,513.38	2,389.15	41.47	22.86	3.17	4,110.62

Notes:

- For charges created on aforesaid assets, refer note 15.
- The amount of borrowing costs capitalised by the holding company during the year ended 31 March 2026 is INR 56.64 million (31 March 2025: INR 68.05 million).
- The borrowing cost capitalised by the holding company has been reduced by INR 2.85 million for the year ended 31 March 2026 (31 March 2025: INR 9.41 million) due to interest subvention benefit given under Animal Husbandry Infrastructure Development Fund scheme by Government of India for poultry/ Animal vaccine expansion project.
- The Group had received government assistance amount in form of waiver of duty under EPCG scheme in earlier years which has been netted off against the respective value of the PPE / CWIP. The same is received to compensate the import cost of the PPE wherein conditions relating to export of goods are subsidiary conditions. For pending export commitments, refer note 32.

Capital work-in-progress (CWIP):

Particulars	Amount
As at 31 March 2026	-
As at 31 March 2025	1,766.72

Capital work-in-progress Ageing:

Particulars	Amount in CWIP for year ended				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2026					
Projects in Progress		-			-
Projects temporarily Suspended	-	-	-	-	-
As at 31 March 2025					
Projects in Progress	152.77	185.60	716.29	712.06	1,766.72
Projects temporarily Suspended	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

4 OTHER INTANGIBLE ASSETS:					
Particulars	Software		Product	Total	
			registration fees		
Gross Block					
As at 1 April 2024	13.08		5.76	18.84	
Additions	2.58		-	2.58	
Disposals / Adjustments	5.36		3.95	9.31	
As at 31 March 2025	10.30		1.81	12.11	
Additions	-		-	-	
Disposals / Adjustments	2.95		0.07	3.02	
As at 31 March 2026	7.35		1.74	9.09	
Depreciation and Amortisation					
As at 1 April 2024	8.76		3.65	12.41	
Charge for the Year	1.85		0.64	2.49	
Deductions	5.35		3.72	9.07	
As at 31 March 2025	5.26		0.57	5.83	
Charge for the Year	2.03		0.35	2.38	
Deductions	3.00		0.07	3.07	
As at 31 March 2026	4.29		0.85	5.14	
Net Block					
As at 31 March 2025	5.04		1.24	6.28	
As at 31 March 2026	3.06		0.89	3.95	
Intangible assets under development:					
Particulars	Amount				
As at 31 March 2026	93.27				
As at 31 March 2025	60.29				
Intangible asset under Development Ageing:					
Particulars	Amount in Intangible Assets Under Development for year ended				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2026					
Project in Progress	32.98	28.60	18.25	13.44	93.27
Project temporarily Suspended	-	-	-	-	-
As at 31 March 2025					
Project in Progress	28.60	18.25	8.43	5.01	60.29
Project temporarily Suspended	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

5 NON CURRENT INVESTMENTS:			
Particulars	As at 31 March 2026	As at 31 March 2025	
Investment in Joint Venture entity:			
Unquoted Investments in equity instruments - at cost (Fully paid)			
Thrishool Exim Limited 1,674 (31 March 2025: 1,674) Equity shares of TSHS 10,000 each	402.75	340.51	
Unquoted Investments in equity instruments - at fair value through profit and loss (Fully paid)			
Texas Lifesciences Private Limited 543,248 Equity shares of INR 10 each (fair value of INR 42.34) (Refer footnote 2)	23.00	-	
Total	425.75	340.51	
Notes:			
a. The above joint venture entity is accounted for using the equity method in Consolidated Financial Statements.			
b. Refer Note 40 regarding the sale of investment in subsidiary during the current year.			
c. Below is the summarised financial information of joint venture entity:			
Summarised Balance Sheet:			
Particulars	As at 31 March 2026	As at 31 March 2025	
Cash & cash equivalents	106.42	81.11	
Other current assets	480.38	373.47	
Non-current assets	61.21	31.92	
Current liabilities	18.84	112.77	
Equity	629.17	373.73	
Proportion of Group's Ownership	50%	50%	
Summarised Statement of Profit and Loss:			
Particulars	As at 31 March 2026	As at 31 March 2025	
Revenue from contracts with customers	1,527.80	1,211.84	
Cost of goods sold	1,214.36	865.30	
Depreciation & amortisation	11.13	3.88	
Finance cost	-	0.74	
Employee benefit expense	44.72	34.73	
Other expense	75.50	191.72	
Profit before tax	182.09	115.47	
Income tax expense	54.63	33.47	
Profit for the year	127.46	82.00	
Total comprehensive income for the year	127.46	82.00	
Share of HBL %	50%	50%	
Share of profit from Joint venture	63.73	41.00	
Summary of movement of investment in joint venture entity:			
Particulars	As at 31 March 2026	As at 31 March 2025	
Opening balance	340.51	299.27	
Add: Share of profit in Joint Venture entity	63.73	41.00	
Unrealised gain/(loss) on inter-company transaction	(1.49)	0.24	
Closing carrying value	402.75	340.51	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

6 OTHER FINANCIAL ASSETS:					
(Unsecured, Considered Good)					
Particulars	Non Current		Current		
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	
Bank Deposits with maturity of more than 12 months - Margin Money Deposit	3.94	16.14	-	-	
Security Deposit	17.94	39.68	123.00	123.00	
Export Incentives Receivables	-	-	4.37	2.21	
GST Refund Receivable	-	-	27.43	20.37	
Interest Accrued	-	-	41.98	46.50	
Receivable on account of sale of subsidiary (Refer Note 40)	1.00	-	11.00	*	
Others	-	-	1.74	9.62	
Total	22.88	55.82	209.52	201.70	

7 OTHER ASSETS:					
(Unsecured, Considered Good)					
Particulars	Non Current		Current		
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	
Capital Advances	25.32	15.95	-	-	
Advance Tax (Net of Provision for tax)	9.99	9.73	-	-	
Advances to Suppliers	-	-	39.85	61.28	
Advances to Employees	-	-	4.13	4.61	
Prepaid Expenses	-	-	11.01	16.80	
Amount paid under protest- Goods and Service tax	2.01	-	-	-	
Balance with Government Authorities	-	-	75.77	102.02	
Total	37.32	25.68	130.76	184.71	

8 INVENTORIES:					
(At lower of cost and net realisable value)					
Particulars		As at 31 March 2026	As at 31 March 2025		
	Raw Materials		45.15	63.10	
Work-in-Progress		210.67	100.61		
Finished Goods		250.13	311.52		
Traded Goods		109.25	114.70		
Stores, Spares and Others		68.07	60.55		
Packing Materials		42.06	53.29		
Total		725.33	703.77		

Notes:

- During the year ended 31 March 2026, INR 3.54 million (Previous year: INR 3.12 million) was recognised as an expense for finished goods and traded goods carried at net realisable value.
- The cost of inventories recognised as an expense includes INR 7.30 million (Previous year: Nil) in respect of slow and non-moving inventories.
- For charges created on aforesaid assets, refer note 20.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

9 TRADE RECEIVABLES:		
Particulars	As at 31 March 2026	As at 31 March 2025
Secured, considered good	-	-
Unsecured, considered good	953.56	731.81
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	37.84	53.71
Total	991.40	785.52
Less : Impairment allowance (allowance for doubtful debts)	(37.84)	(53.71)
Total	953.56	731.81

Notes:
a. For dues from the related parties, refer note 35.
b. For charges created on aforesaid assets, refer note 20.

Trade Receivable Ageing as on 31 March 2026 outstanding from due date of payment:

Particulars	Not Due	< 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade receivables (considered good)	468.75	238.10	204.38	26.85	0.01	12.47	950.56
(ii) Undisputed Trade Receivables (considered doubtful)	-	1.19	0.42	0.55	12.94	13.15	28.25
(iii) Disputed Trade Receivables (considered good)	-	-	-	-	-	3.00	3.00
(iv) Disputed Trade Receivables (considered doubtful)	-	-	-	-	-	9.59	9.59
	468.75	239.29	204.80	27.40	12.95	38.21	991.40
Less: Impairment allowance (allowance for doubtful debts)	-	-	-	-	-	-	(37.84)
Total	468.75	239.29	204.80	27.40	12.95	38.21	953.56

Trade Receivable Ageing as on 31 March 2025 outstanding from due date of payment:

Particulars	Not Due	< 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	>3 Years	Total
(i) Undisputed Trade receivables (considered good)	394.63	195.48	52.89	25.64	42.21	16.07	726.92
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	42.73	1.00	43.73
(iii) Disputed Trade Receivables (considered good)	-	-	-	-	-	12.00	12.00
(iv) Disputed Trade Receivables (considered doubtful)	-	-	-	-	-	2.87	2.87
	394.63	195.48	52.89	25.64	84.94	31.94	785.52
Less: Impairment allowance (allowance for doubtful debts)	-	-	-	-	-	-	(53.71)
Total	394.63	195.48	52.89	25.64	84.94	31.94	731.81

Trade receivables that are impaired at the balance sheet date and the movement of the allowance for expected credit losses of trade receivables are as follows:

Particulars	31 March 2026	31 March 2025
Opening provision	53.71	9.00
Additional allowance during the year	31.35	44.71
Less: Bad debts written off against allowance	(47.22)	-
Closing balance	37.84	53.71

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

10 CASH AND CASH EQUIVALENTS:			
Particulars	As at		
	31 March 2026	31 March 2025	
Balance with Banks - In Current Accounts	18.61	52.40	
Cash on Hand	9.06	3.47	
Total	27.67	55.87	

11 OTHER BANK BALANCES:			
Particulars	As at		
	31 March 2026	31 March 2025	
Balance with Banks - Unpaid dividend accounts	3.06	3.78	
Bank Deposits with original maturity of more than three months but less than twelve months - Margin Money Deposit	34.65	12.54	
Total	37.71	16.32	

12 LOANS:			
(Unsecured, Considered Good unless otherwise stated)			
Particulars	As at		
	31 March 2026	31 March 2025	
Loan to Employees	1.07	2.56	
Loan to Others	-	55.00	
Total	1.07	57.56	

Disclosures pursuant to section 186(4) of the Companies Act, 2013:

Particulars	Purpose	As at	
		31 March 2026	31 March 2025
Loan to Shubh Consultancy	Working Capital	-	55.00

13 SHARE CAPITAL:			
Particulars	As at		
	31 March 2026	31 March 2025	
AUTHORISED CAPITAL			
11,200,000 (Previous Year 11,200,000) Equity Shares of INR 10 each	112.00	112.00	
	112.00	112.00	
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
8,506,865 (Previous Year 8,506,865) Equity Shares of INR 10 each fully paid up	85.07	85.07	
Total	85.07	85.07	

13.01 The reconciliation of the number of shares outstanding is set out below:			
Particulars	As at		
	31 March 2026	31 March 2025	
Equity Shares at the beginning of the year	8,506,865	8,506,865	
Changes during the year	-	-	
Outstanding at the end of the year	8,506,865	8,506,865	

13.02 Rights, preferences and restriction attached to shares:

The Holding Company has only one class of equity shares having par value of INR 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except Interim Dividend declared during the year and Company pays the same in Indian Rupees. In the event of liquidation of the Company, the equity Shareholders are eligible to receive the remaining asset of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held.

The board has further recommended final dividend of INR 11 (Eleven) per equity share (110%) for the financial year 2025-26, subject to the approval of the shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

13.03 Disclosure of Shareholding of Promoters and Promoter Group:					
Disclosure of Shareholding of Promoters and Promoter Group as at 31 March 2026 is as follow:					
Name	As at 31 March 2026		As at 31 March 2025		% Change during the Year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Rajiv Dinesh Gandhi	891,508	10.48	890,397	10.47	0.01
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20	-
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19	-
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78	-
Ravin Gandhi	403,320	4.74	403,320	4.74	-
Bela Gandhi	400,635	4.71	400,635	4.71	-
Bhupendra Vithaldas Gandhi	397,989	4.68	399,100	4.69	(0.01)
Biolink Healthcare Limited	248,838	2.93	248,838	2.93	-
Anup Chandravadan Kapadia	228,354	2.68	228,354	2.68	-
Hester Coatings LLP	64,000	0.75	64,000	0.75	-
Hester Diagnostics Private Limited	24,000	0.28	24,000	0.28	-
Hetal Sanjiv Gandhi	19,590	0.23	19,590	0.23	-
Yash Rajiv Gandhi	7,250	0.09	7,250	0.09	-
Total	4,570,944	53.73	4,570,944	53.73	-

Disclosure of Shareholding of Promoters and Promoter Group as at 31 March 2025 is as follow:					
Name	As at 31 March 2025		As at 31 March 2024		% Change during the Year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Rajiv Dinesh Gandhi	890,397	10.47	890,397	10.47	-
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20	-
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19	-
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78	-
Ravin Gandhi	403,320	4.74	403,320	4.74	-
Bela Gandhi	400,635	4.71	400,635	4.71	-
Bhupendra Vithaldas Gandhi	399,100	4.69	399,100	4.69	-
Biolink Healthcare Limited	248,838	2.93	248,838	2.93	-
Anup Chandravadan Kapadia	228,354	2.68	228,354	2.68	-
Hester Coatings LLP	64,000	0.75	64,000	0.75	-
Hester Diagnostics Private Limited	24,000	0.28	24,000	0.28	-
Hetal Sanjiv Gandhi	19,590	0.23	19,590	0.23	-
Yash Rajiv Gandhi	7,250	0.09	7,250	0.09	-
Total	4,570,944	53.73	4,570,944	53.73	-

13.04 The details of shareholders holding more than 5% equity shares in the Company					
Name of the Shareholders	As at 31 March 2026		As at 31 March 2025		% of Total Shares
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Rajiv Dinesh Gandhi	891,508	10.48	890,397	10.47	
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20	
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19	
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

14 OTHER EQUITY:	As at 31 March 2026	As at 31 March 2025
Particulars		
Capital Reserve		
As per last Balance sheet	82.56	82.56
Less: Transferred due to cessation of subsidiary (Refer Note 40)	(13.69)	-
	68.87	82.56
Securities Premium		
As per last Balance sheet	175.07	175.07
General Reserve		
As per last Balance sheet	392.26	392.26
Retained Earnings		
As per last Balance Sheet	2,370.86	2,150.89
Add: Profit for the year	556.39	274.88
Add: Other Comprehensive Income (Remeasurement gain/(loss) of defined benefit plans, net of tax)	(0.42)	(3.87)
Less: Dividend paid	59.55	51.04
	2,867.28	2,370.86
Foreign Currency Translation Reserve		
As per last Balance Sheet	36.73	32.08
Add: Movement during the year	(22.93)	4.65
	13.80	36.73
Total	3,517.28	3,057.48
Notes:		
a. Capital reserve: This is mainly used to record the reserves created on receipt of state/central subsidies, grant of the subsidiary company for the capital investment and amounts forfeited towards the forfeiture of Equity warrants issued. This reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.		
b. Securities premium: This represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.		
c. General Reserve: Under the erstwhile Companies Act, 1956, general reserves was created through an annual transfer of net income at specified percentage in accordance with applicable regulation. Consequent to the introduction of Companies Act, 2013, the requirement of mandatorily transfer a specified percentage of the net profit to general reserves has been withdrawn. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.		
d. Retained earnings: This represents the amount that can be distributed by the Company as dividend considering the requirements of the Companies Act, 2013.		
Distribution made and proposed	As at 31 March 2026	As at 31 March 2025
Cash dividend on equity shares declared and paid		
Final Dividend for the year ended 31 March 2025 INR 7 per share (for the year ended 31 March 2024 INR 6 per share)	59.55	51.04
	59.55	51.04
Proposed dividend on equity shares		
Final Dividend for the year ended 31 March 2026 INR 11 per share (for the year ended 31 March 2025 INR 7 per share)	93.58	59.55
	93.58	59.55
Note: Proposed dividend on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability as at year end.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

15 BORROWINGS (Long Term):		As at	As at
Particulars		31 March 2026	31 March 2025
Secured Borrowings			
Term Loans from Banks		124.73	222.94
Term Loans from Others		1,138.02	1,025.70
External Commercial Borrowings		376.94	533.32
		1,639.69	1,781.96
Less: Current Maturities of Long Term Borrowings (Refer Note 20)			
Term Loans from Banks		(69.48)	(98.01)
Term Loans from Others		(455.21)	(205.14)
External Commercial Borrowings		(215.36)	(145.13)
		(740.05)	(448.28)
Total		899.64	1,333.68

Notes:

a. The security details for the borrowing balances:

Term Loans from Banks aggregating to INR 124.73 million (Previous year: INR 222.94 million) and External Commercial Borrowing from Banks aggregating to INR 376.94 million (Previous year: INR 533.32 million) are secured by first charge on all immovable, movable assets and freehold land of the Company along with the personal guarantee of the directors.

Term Loans from Gates Foundation amounting to INR 1,138.02 million (Previous year INR 1,025.70 million) taken by Hester Biosciences Africa Limited, a wholly owned subsidiary, are secured by corporate guarantee issued by Hester Biosciences Limited, India.

b. Repayment schedule for the borrowing balances:

The secured term loans from banks aggregating to INR 5.41 million (Previous year: INR 21.66 million) are repayable over a period of 5 years in quarterly instalments upto FY 2026-27.

The secured term loans from banks aggregating to INR 87.10 million (Previous year: INR 136.30 million) are repayable over a period of 5 years in quarterly instalments upto FY 2027-28.

The secured term loans from banks aggregating to INR 32.22 million (Previous year: INR 47.09 million) are repayable over a period of 4 years in monthly instalments upto FY 2028-29.

External Commercial Borrowing from banks aggregating to INR 376.94 million (Previous year: INR 533.32 million) are repayable over a period of 6 years in 21 quarterly instalments upto FY 2027-28.

The secured term loans from banks aggregating to INR Nil (Previous year: INR 17.89 million) has been repaid during the year.

The secured term loans from Gates Foundation aggregating to INR 1,138.02 million (Previous year: INR 1,025.70 million) are repayable over a period of 5 years upto FY 2030-31.

c. Interest rates on borrowings:

Interest rates on Term loan of the company is varying, which is linked to MCLR of bank, from time to time.

Interest rates on term loan from Gates Foundation is 3% p.a. (Refer Note 42)

Interest rates on External Commercial Borrowing is varying, which is linked to 3 Months SOFR.

d. Details of defaults during the year of principal and interest

Regarding the term loans from the Gates Foundation taken by Hester Biosciences Africa Limited, a wholly owned subsidiary, there were delays in the payment of principal amounting to INR 227.60 million (USD 2.40 million) and interest amounting to INR 85.35 million (USD 0.90 million) which were due on 31 December 2025. Management was in active discussion with lender for a waiver as well as change in repayment terms with the lender. The same was materialised after the balance sheet date but before approval of these financial statements. So as on the date of approval of these financial statements, there are no continuing defaults in the repayment of principal and interest obligations. For details refer Note 42.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

16 LEASE LIABILITIES:						
Particulars	Non Current		Current			
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025		
Lease Liabilities	63.11	54.75	2.28	-		
Total	63.11	54.75	2.28	-		
Note: The amount recognised in the consolidated statement of profit and loss in respect of right of use assets and lease obligation are as under:						
Particulars			As at 31 March 2026	As at 31 March 2025		
Amortisation of Right to use asset			2.67	2.00		
Interest expense on lease liabilities			3.48	3.13		
Expenses relating to short term leases			29.99	26.52		
The total cash outflow for leases:						
Particulars			As at 31 March 2026	As at 31 March 2025		
Balance at the beginning of the year			54.75	53.36		
Addition during the year			3.23	-		
Foreign currency translation			6.67	1.32		
Interest expense on lease liabilities			3.48	3.13		
Cash outflow			(2.74)	(3.06)		
Balance at the end of the year			65.39	54.75		
17 OTHER FINANCIAL LIABILITIES:						
Particulars	Non Current		Current			
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025		
Deposits	10.23	7.95	-	-		
Unclaimed Dividends	-	-	3.07	3.78		
Interest accrued	-	-	96.18	56.64		
Creditors for Capital expenses	-	-	12.13	35.59		
Payable to employees	-	-	27.25	7.00		
Others	-	-	1.29	0.60		
Total	10.23	7.95	139.92	103.61		
18 PROVISIONS:						
Particulars	Non Current		Current			
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025		
Provision for Leave Encashment	23.36	23.79	6.42	5.76		
Provision for Gratuity (Refer note 36)	-	3.74	8.87	4.53		
Total	23.36	27.53	15.29	10.29		
19 OTHER LIABILITIES:						
Particulars	Non Current		Current			
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025		
Deferred Government Grant	461.25	500.00	35.77	-		
Deferred Capital Grant	31.07	32.21	3.41	5.04		
Advance from Customers	-	-	18.32	5.67		
Payables to Statutory Authorities	-	-	30.06	16.52		
Other Liabilities	-	-	-	32.28		
Total	492.32	532.21	87.56	59.51		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

Following is the movement of Deferred Capital Grant:

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	37.25	41.70
Add: Grant received during the year	-	-
Less: Released to statement of Profit and Loss during the year	(5.24)	(5.07)
Add: Foreign Translation Reserve	2.47	0.62
Closing balance	34.48	37.25

Note: Capital Grant received in subsidiaries from Gates Foundation and the Government of Netherlands relating to Buildings, Plant & Machineries and Equipment of the respective subsidiaries are accounted as deferred capital grant.

Following is the movement of Deferred Government Grant:

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	500.00	500.00
Add: Grant received during the year	-	-
Less: Released to statement of Profit and Loss during the year	(2.98)	-
Closing balance	497.02	500.00

Note: The Holding company has received Government Grant of INR 500 million by BIRAC (Biotechnology Industry Research Assistance Council), Government of India enterprise to support the project "Proposal for Facility Augmentation to support Covid Vaccine Manufacturing" under the Mission Covid Suraksha Scheme of Government of India, which has been put to use during the current year.

20 CURRENT BORROWINGS

Particulars	As at 31 March 2026	As at 31 March 2025
Loan Repayable on Demand		
Cash Credit from Bank	242.86	295.79
Current Maturities of Long Term Borrowings (Refer Note 15)		
Term Loans from Banks	69.48	98.01
Term Loans from Others	455.21	205.14
External Commercial Borrowings	215.36	145.13
Total	982.91	744.07

Notes:

- Cash Credit account of the holding company is secured by first and exclusive hypothecation charge on all the current assets of the Company. It is also collaterally secured by Equitable Mortgage of Corporate office at Ahmedabad and hypothecation of unencumbered plant and machinery, stocks and trade receivable of the Company and personal guarantee of three directors.
- Cash Credit account of the subsidiary is secured by hypothecation charge on stocks, plant and machinery and trade receivables of the subsidiary and personal guarantee of the directors.
- Interest Rates on Cash credit facilities are varying, which are linked to base rate of Bank, from time to time.

21 TRADE PAYABLES:

Particulars	As at 31 March 2026	As at 31 March 2025
Trade Payables	246.80	294.19
Total	246.80	294.19

Trade Payable Ageing as on 31 March 2026

Outstanding for the following period from due date of payment

Particulars	Unbilled	Not Due	< 1 Year	1-2 Years	2-3 Years	>3 Years	Total
Undisputed dues	74.26	140.05	8.50	2.01	0.31	21.67	246.80
Disputed dues	-	-	-	-	-	-	-

Trade Payable Ageing as on 31 March 2025

Outstanding for the following period from due date of payment

Particulars	Unbilled	Not Due	< 1 Year	1-2 Years	2-3 Years	>3 Years	Total
Undisputed dues	101.01	67.22	119.10	1.73	0.34	4.79	294.19
Disputed dues	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

22 CURRENT TAX LIABILITIES:			
Particulars	As at		As at
	31 March 2026	31 March 2025	
Provision for Current Tax (Net of advance tax)	50.02		40.17
Total	50.02		40.17

23 REVENUE FROM OPERATIONS:			
Particulars	Year ended		Year ended
	31 March 2026	31 March 2025	
(A) Sale of Goods	3,259.57		3,098.66
(B) Other Operating Revenue			
Export Incentives	2.35		1.44
Revenue from license fees and services	64.07		10.92
Total	3,325.99		3,111.02

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended	
	31 March 2026	31 March 2025
Revenue as per contracted price	3,327.85	3,112.72
Adjustments:		
Discount on prompt payment	1.86	1.70
Revenue from contract with customers	3,325.99	3,111.02

Note: For Revenue from contracts with customers disaggregated based on geography refer note 38 (iii)

24 OTHER INCOME:			
Particulars	Year ended		Year ended
	31 March 2026	31 March 2025	
Interest Income			
Bank deposits	2.17		2.10
Others	13.62		18.27
Foreign exchange fluctuation (net)	48.26		5.15
Liabilities no longer required written back (net)	-		0.99
Rent income	1.66		4.86
Grant income	8.22		5.07
Net gain on assets measured at fair value through profit or loss	17.57		-
Other miscellaneous income	5.34		2.80
Total	96.84		39.24

24.01 EXCEPTIONAL ITEMS:

Particulars	Year ended	
	31 March 2026	31 March 2025
Gain on sale of investment in subsidiary	29.36	-

The Board of Directors of the holding company at its meeting dated 11 March 2026 has approved the divestment of 43.81% equity shareholding out of 54.81% in its subsidiary, Texas Lifescience Private Limited ("TLPL") by way of sale/ transfer of 2,163,377 Equity Shares of INR 10 each at the price of INR 42.34 per share to entity affiliated to existing promoter shareholders of TLPL. TLPL ceased to be subsidiary of the company from 27 March 2026 onwards.

25 COST OF RAW MATERIAL AND COMPONENTS CONSUMED:

Particulars	Year ended	
	31 March 2026	31 March 2025
Inventory at the beginning of the year	116.39	122.86
Add: Purchased during the year	690.42	632.72
Add: Foreign currency translation	(3.06)	0.27
Less: Inventory at the end of the year *	97.53	116.39
Total	706.22	639.46

* Inventory at the end of year for the year ended 31 March 2026 includes INR 10.33 million pertains to Texas Lifesciences Private Limited (subsidiary company till 27 March 2026 which is not included in Inventory balance as per note 8 due to cessation of subsidiary from 27 March 2026.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

26 PURCHASE OF TRADED GOODS:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Purchase of traded goods	157.45	175.99	
Total	157.45	175.99	
27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Inventories at the End of the Year			
Finished Goods*	253.77	311.52	
Traded Goods	109.25	114.70	
Work-in-Progress	210.67	100.61	
	573.69	526.83	
Foreign currency translation	(2.78)	0.69	
Inventories at the Beginning of the Year			
Finished Goods	311.52	350.85	
Traded Goods	114.70	118.45	
Work-in-Progress	100.61	126.00	
	526.83	595.30	
Total	(44.08)	67.78	
* Inventory at the end of year for the year ended 31 March 2026 includes INR 3.64 million pertains to Texas Lifesciences Private Limited (subsidiary company till 27 March 2026 which is not included in Inventory balance as per note 8 due to cessation of subsidiary from 27 March 2026.			
28 EMPLOYEE BENEFITS EXPENSE:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Salaries & Wages	591.28	591.23	
Gratuity Expense (Refer Note 36)	9.44	5.50	
Contributions to Provident Fund & Other Funds (Refer Note 36)	22.75	24.25	
Staff Welfare Expenses	3.20	3.26	
Total	626.67	624.24	
29 FINANCE COST:			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Interest Expenses *	70.68	83.40	
Bank Charges	6.09	4.86	
Foreign Exchange Loss on Borrowings	29.09	38.77	
Lease Finance Cost	3.48	-	
Total	109.34	127.03	
* Interest expenses of the holding company has been reduced by INR 0.76 million for the year ended 31 March 2026 due to interest subvention benefit given under Animal Husbandry Infrastructure Development Fund scheme by Government of India for poultry/ Animal vaccine expansion project.			

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

30 OTHER EXPENSES:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Power and Fuel	115.74	139.78
Consumption of Stores and Spares	66.83	83.54
Repairs & Maintenance		
Plant and Machinery	34.73	27.87
Building	6.39	4.81
Others	15.90	12.46
Testing and inspection charges	14.75	4.73
Factory Expense	44.47	35.69
Freight Expense	126.67	144.91
Sales promotion expense	70.48	77.73
Commission on Sales	74.52	60.18
Royalty on Sales	12.74	23.83
Legal and Professional fees	67.80	54.45
Traveling & conveyance expense	139.21	163.16
Insurance Expense	15.66	13.47
Rent	29.99	26.52
Rates and Taxes	24.58	24.47
CSR Expenses	8.21	8.93
Provision for doubtful debts	31.35	44.71
Loss on Sale of Property, Plant and Equipment	2.04	4.86
Bad Debts written off	83.23	-
Less: Provision for Doubtful debt utilised	(47.22)	-
	36.01	-
Charity and donations	0.81	0.62
Directors' sitting fees	2.25	1.83
Miscellaneous Expenses	72.02	34.48
Total	1,013.15	993.03
31 TAX RECONCILIATION:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Statement of Profit and Loss		
Current tax		
Current income tax	151.88	126.71
Tax adjustment of earlier years	(0.45)	(4.48)
Deferred tax		
Deferred tax expense	32.09	(14.78)
Income tax expenses reported in the Statement of Profit and Loss	183.52	107.45
OCI Section		
Other comprehensive income (OCI)		
Tax related to items recognised in OCI during the year		
Tax effect on remeasurement (loss)/gain of defined benefit plans	0.12	1.37
Tax credit/(charged) to OCI	0.12	1.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

a. Reconciliation of tax expense and the accounting profit			
Particulars	Year ended 31 March 2026	Year ended 31 March 2025	
Profit before tax as per Statement of Profit and loss	758.36	395.71	
Enacted Income Tax Rate applicable to Company	25.17%	25.17%	
Expected Income Tax Expenses	190.88	99.60	
Tax effects of :			
Non-deductible expenses	10.26	3.86	
Non-deductible expenses	(9.51)	-	
Tax netted off in share of profit of Joint Venture Entity	(16.04)	(10.32)	
Deferred tax assets not created on losses of subsidiaries	6.38	24.19	
Others	1.56	(9.88)	
Total Tax	183.52	107.45	
Effective Income Tax Rate	24.20%	27.15%	

b. Movement in deferred tax liabilities (net) for the year ended 31 March 2026					
Particulars	Opening Balance as at 1 April 2025	Recognised in profit and loss	Recognised in other comprehensive income	Transferred due to cessation of subsidiary (Refer Note 40)	Closing Balance as at 31 March 2026
Tax effect of items constituting deferred tax liabilities:					
Accelerated depreciation for tax purposes	92.25	23.39	-	(4.80)	110.84
Gratuity fund	(1.66)	(1.30)	0.03	1.43	(1.50)
Fair value gain on investment	-	2.51	-	-	2.51
	90.59	24.60	0.03	(3.37)	111.85
Tax effect of items constituting deferred tax assets:					
Expense allowed in the year of payment	15.21	(5.00)	-	-	10.21
Other adjustment	16.05	(2.49)	-	-	13.56
	31.26	(7.49)	-	-	23.77
Net deferred tax liabilities	59.33	32.09	0.03	(3.37)	88.08

Movement in deferred tax liabilities (net) for the year ended 31 March 2025				
Particulars	Opening Balance as at 1 April 2024	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance as at 31 March 2025
Tax effect of items constituting deferred tax liabilities:				
Accelerated depreciation for tax purposes	85.80	6.45	-	92.25
Gratuity fund	0.48	(2.14)	-	(1.66)
	86.28	4.31	-	90.59
Tax effect of items constituting deferred tax assets:				
Expense allowed in the year of payment	7.94	7.27	-	15.21
Other adjustment	4.23	11.82	-	16.05
	12.17	19.09	-	31.26
Net deferred tax liabilities	74.11	(14.78)	-	59.33

32 COMMITMENTS:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	19.64	124.56
Export Commitments	189.92	1,046.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

33 CONTINGENT LIABILITIES NOT PROVIDED FOR:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Claims against the company not acknowledged as debts:		
Income Tax*	-	-
* Includes demand from Income Tax Authorities based on assessment/appeal orders and the Company is in appeal with higher authorities, and the Company has been advised that the decision will be in favour of the Company, and hence no provision has been made in the Consolidated Financial Statements. The matters are pending before respective appellate authorities and not yet settled.		
34 EARNINGS PER SHARE:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net Profit for the year	574.84	288.26
Weighted Average Number of Equity Shares	8,506,865	8,506,865
Basic and diluted Earnings per Share (INR)	67.57	33.89
Nominal Value of Equity Share (INR)	10.00	10.00
35 RELATED PARTY DISCLOSURE:		
As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:		
(i) List of Related Parties		
(a) Key Management Personnel		
1. Mr. Rajiv Gandhi - CEO & Managing Director		
2. Ms. Priya Gandhi - Executive Director		
3. Mr. Nikhil Jhanwar - Chief Financial Officer (up to 6 November 2024)		
4. Mr. Divyesh Maru - Chief Financial Officer (from 12 November 2024 till 13 November 2025)		
5. Mr. Ashish Desai - Chief Financial Officer (with effective from 20 November 2025)		
6. Mr. Vinod Mali - Company Secretary & Compliance Officer		
(b) Independent Directors		
1. Ms. Sandhya Patel		
2. Mr. Ashok Bhadakal		
3. Mr. Ameet Desai		
4. Mr. Anil Jain		
5. Mr. Jatin Trivedi		
(c) Relatives of key management personnel		
1. Dr. Bhupendra Gandhi (Non-Executive Chairman)		
2. Mr. Sanjiv Gandhi (Non-Executive Director)		
3. Mr. Ravin Gandhi (Non-Executive Director)		
4. Ms. Nina Gandhi (Non-Executive Alternate Director of Mr. Ravin Gandhi)		
(d) Enterprises owned or significantly influenced by key management personnel or their relatives:		
1. Hester Coatings LLP		
2. Biolink Healthcare Limited		
3. Hester Diagnostics Private Limited		
4. Gujarat Polyplast Private Limited		
5. Gujarat Airconnect Private Limited		
6. AeroTrans Services Private Limited		
7. Y. J. Trivedi & Co.		
(e) Joint venture entity		
1. Thrishool Exim Limited		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

(ii) Transactions during the year with Related Parties						
Particulars	Key Management Personnel/Relatives of Key Managerial Personnel		Enterprises Having Significant Influence and joint venture entity		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
a) Purchase of Goods	-	-	28.76	51.86	28.76	51.86
b) Sales of Goods	-	-	80.07	74.98	80.07	74.98
c) Commission Expense	-	-	2.80	-	2.80	-
d) Professional Services Availed	-	-	0.50	0.26	0.50	0.26
e) Reimbursement of Expenses	-	-	0.24	0.55	0.24	0.55
f) Services Availed	-	-	0.41	6.17	0.41	6.17
g) Sitting Fees	2.25	1.83	-	-	2.25	1.83
h) Remuneration Paid	69.47	58.15	-	-	69.47	58.15
i) Rent Income	-	-	0.40	4.80	0.40	4.80
j) Rent Paid	-	-	3.00	3.00	3.00	3.00

(iii) Outstanding balances at the year-end						
Particulars	Key Management Personnel/Relatives of Key Managerial Personnel		Enterprises Having Significant Influence		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
a) Trade Receivables	-	-	38.66	55.27	38.66	55.27
b) Trade Payables	-	-	3.16	6.92	3.16	6.92
c) Loans & Advances	-	-	10.94	29.57	10.94	29.57
d) Remuneration Payable	18.11	12.23	-	-	18.11	12.23

Notes:

- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave encashment, as it is determined on an actuarial basis for the Group as a whole.
- Bank Facilities (Working capital limit, Term loans and External Commercial Borrowings) are secured by guarantee of Mr. Rajiv Gandhi, Mr. Sanjiv Gandhi and Dr. Bhupendra Gandhi, Directors of the Holding Company.

36 DEFINED BENEFIT OBLIGATIONS:

a) Defined Contribution Plans:

The Group made contribution towards provident fund to defined contribution retirement benefit plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner, the Group required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefit.

The Group recognised INR 22.75 million (2024-25: INR 24.25 million) for provident fund and other funds in the Statement of Profit and Loss. The contributions payable to this plan by the Group are at rates specified in the rules of the scheme. The Group has no further obligations under the plan beyond its monthly contributions.

b) Defined Contribution Plans:

The Company made annual contribution to the employees' Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or a part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of define benefit obligation and the related current service cost were measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised by the Group's financial statement as at 31 March 2026:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

BALANCE SHEET		
(i) Change in the Present Value of Defined Benefit Obligation		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Defined Benefit Obligation at Beginning of the Year	57.88	52.90
Current Service Costs	4.70	5.48
Past Service Costs	4.01	-
Interest Cost on Defined Benefit Obligation	3.73	3.82
Actuarial (Gain) on Defined Benefit Obligation	0.30	4.89
Benefits paid during the Year	(13.25)	(9.21)
Transferred due to cessation of subsidiary (Refer note 40)	(5.21)	-
Defined Benefit Obligation at End of the Year	52.16	57.88
(ii) Change in Plan Asset		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Fair Value of Plan Assets at the Beginning of the Year	49.61	52.57
Expected Return on Plan Assets	3.00	3.79
Contribution made during the Year	4.02	3.00
Benefits paid during the Year	(13.17)	(9.21)
Actuarial Loss on Plan Assets	(0.17)	(0.54)
Fair Value of Plan Assets at the End of the Year	43.29	49.61
(iii) Disclosure in Balance Sheet		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Defined Benefit Obligation at the End of the Year	(52.16)	(57.88)
Fair Value of Plan Assets at the end of the Year	43.29	49.61
Unfunded Status [(Deficit)/Surplus]	-	(4.73)
Funded Status [(Deficit)/Surplus]	(8.87)	(3.54)
Net (Liability)/Asset Recognised in the Balance Sheet of the Company	(8.87)	(3.54)
Net (Liability)/Asset Recognised in the Balance Sheet of the subsidiary	-	(4.73)
(iv) Reconciliation - Balance Sheet		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net Liability at the Beginning of the Year	8.27	0.33
Expenses Recognised in Statement of Profit or Loss	9.44	5.50
Expenses Recognised in Other Comprehensive Income	0.47	5.43
Employers Contribution Paid	(4.10)	(3.00)
Transferred due to cessation of subsidiary (Refer note 40)	(5.21)	-
Net Liability/(Asset) at the End of the Year	8.87	8.27
STATEMENT OF PROFIT AND LOSS		
(v) Expenses recognised during the Year		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
In Income Statement		
Current Service Costs	4.70	5.48
Past Service Costs	4.01	-
Interest Cost	0.73	0.02
Expenses Recognised in Statement of Profit or Loss	9.44	5.50
In Other Comprehensive Income		
Actuarial Loss	0.30	4.89
Return on Plan Assets	0.17	0.54
(Income)/Expenses Recognised in Other Comprehensive Income	0.47	5.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

(vi) Assumptions used - Holding company		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Discount rate	6.89%	6.59%
Rate of return on plan asset	6.89%	6.59%
Salary escalation	6.00%	6.00%
Attrition rate	For service 4 years and below 30% p.a.	For service 4 years and below 30% p.a.
	For service 5 years and above 9% p.a.	For service 5 years and above 9% p.a.
(vii) Assumptions used - Subsidiary company		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Discount rate	6.77%	6.55%
Salary escalation	10.00%	10.00%
Attrition rate	20.00%	20.00%
(viii) Sensitivity Analysis - Impact on defined benefit obligation		
Particulars	Year ended 31 March 2026	
	Increase	Decrease
Change in discounting rate (delta effect of +/- 1%)	(2.80)	3.14
Change in rate of salary increase (delta effect of +/- 1%)	2.78	(2.58)
Change in rate of employee turnover(delta effect of +/- 1%)	0.16	(0.18)
Particulars	Year ended 31 March 2025	
	Increase	Decrease
Change in discounting rate (delta effect of +/- 1%)	(3.15)	3.55
Change in rate of salary increase (delta effect of +/- 1%)	3.20	(2.95)
Change in rate of employee turnover(delta effect of +/- 1%)	0.07	(0.09)
(ix) The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Insurance funds	43.29	49.61
% of total plan assets	100%	100%
(x) The following payments are expected contributions to the defined benefit plan in future years:		
Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Within the next 12 months (next annual reporting period)	8.27	7.60
Between 2 and 5 years	20.54	23.86
Between 6 and 10 years	21.10	23.70
Beyond 10 years	34.65	37.16
Total expected payments	84.55	92.32
(xi) The weighted average duration of the projected benefit obligation at the end of the reporting period is 7 years (31 March 2025: 7 years.)		
(xii) The group has estimated and recognised the impact of implementation of New Labour Codes under Employee benefit expenses for the year ended 31 March 2026.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

37 FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS, FINANCIAL RISK AND CAPITAL MANAGEMENT:

(i) Financial Instruments:

(a) Category-wise Classification of Financial Instruments:

Particulars	Refer Note	As at 31 March 2026		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in joint venture entity	5	-	402.75	402.75
Unquoted Investments in equity instruments - at fair value through profit and loss (Fully paid)	5	23.00	-	23.00
Trade receivables	9	-	953.56	953.56
Cash and cash equivalents	10	-	27.67	27.67
Other balances with banks	6 & 11	-	41.65	41.65
Loans	12	-	1.07	1.07
Other financial assets	6	-	228.46	228.46
Total		23.00	1,655.15	1,678.15
Financial liabilities				
Borrowings	15 & 20	-	1,882.55	1,882.55
Trade payables	21	-	246.80	246.80
Other financial liabilities	17	-	150.15	150.15
Lease Liabilities	16	-	65.39	65.39
Total		-	2,344.89	2,344.89

Particulars	Refer Note	As at 31 March 2025		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in joint venture entity	5	-	340.51	340.51
Trade receivables	9	-	731.81	731.81
Cash and cash equivalents	10	-	55.87	55.87
Other balances with banks	6 & 11	-	32.46	32.46
Loans	12	-	57.56	57.56
Other financial assets	6	-	241.38	241.38
Total		-	1,459.59	1,459.59
Financial liabilities				
Borrowings	15 & 20	-	2,077.75	2,077.75
Trade payables	21	-	294.19	294.19
Other financial liabilities	17	-	111.56	111.56
Lease Liabilities	16	-	54.75	54.75
Total		-	2,538.25	2,538.25

(b) Category-wise Classification of Financial Instruments:

The financial instruments are categorised into three levels, based on the inputs used to arrive at fair value measurement as described below:

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

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

Level 3 - Inputs based on unobservable market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis:

Financial assets at fair value through profit and loss (FVTPL)

Particulars	Fair value		Fair value hierarchy	Valuation technique(s) As at and key input(s)
	As at 31 March 2026	As at 31 March 2025		
Investment in equity instrument (Refer Note 5)	23.00	-	Level 3	Fair value based on discounted cash flow method

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

(ii)	Financial risk management
	The Group's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Group through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk:

Market risk refers to the possibility that changes in the market rates may have impact on the Group's profits or the value of its holding of financial instruments. The Group is exposed to market risks on account of foreign exchange rates and interest rates.

(i) Foreign currency exchange rate risk:

The Group's foreign currency risk arises from its foreign operations, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group.

The major foreign currency exposure for the group is denominated in USD. Additionally, transactions entered into in other currencies are not significant in relation to the total volume of the foreign currency exposures.

The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

Particulars	Liabilities		Assets	
	As at	As at	As at	As at
	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
USD	1,517.40	1,621.16	69.23	106.39

The above table represents total exposure of the Group towards foreign exchange denominated assets and liabilities.

For the years ended 31 March 2026 and 31 March 2025, every 1% depreciation/appreciation in the exchange rate between the Indian rupee and value in the respective currencies for the above mentioned financial assets/liabilities would affect the Groups' net profit by approximately INR 14.48 million and INR 15.15 million respectively.

Particulars	Impact on Profit & Loss		Impact on Equity	
	As at	As at	As at	As at
	31 March	31 March	31 March	31 March
	2026	2025	2026	2025
USD Sensitivity				
Rupee/USD - Increase by 1%	(14.48)	(15.15)	(14.48)	(15.15)
Rupee/USD - Decrease by 1%	14.48	15.15	14.48	15.15

(ii) Interest Rate Risk:

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group is exposed to fluctuations in interest rates of respective currency loans carrying a floating rate of interest and USD External Commercial Borrowing carrying a floating SOFR linked interest rate.

Variable-rate instruments	As at	As at
	31 March 2026	31 March 2025
Term Loans from Banks and others	124.73	222.94
External Commercial Borrowings	376.94	533.32
Cash Credit from Bank	242.86	295.79
Total	744.53	1,052.05

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not have any designated derivatives (interest rate swaps). The exposure of Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	Impact on Profit & Loss	
	As at	As at
	31 March 2026	31 March 2025
a) Long Term - Borrowings Sensitivity		
Increase by 1%	(5.02)	(7.56)
Decrease by 1%	5.02	7.56
b) Short Term - Borrowings Sensitivity		
Increase by 1%	(2.43)	(2.96)
Decrease by 1%	2.43	2.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

(b) Credit Risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The customers are categorised based on the nature of transaction and the credit risk associated with them is managed through credit approvals, establishing credit limits and continuously monitoring of the creditworthiness of the counterparty to which the Group grant credit terms in the normal course of business. The Group uses publicly available financial information and its own trading records to rate its major customers.

The Group has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Group 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 various customers.

Other receivables consist primarily of security deposits, loans and other receivables. The risk of default is assessed as low.

(c) Liquidity Risk:

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

(Based on contractual undiscounted payments)

Maturity Profile of financial liabilities as at 31 March 2026					
Particular	Within 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
Borrowings	985.75	444.74	457.71	-	1,888.20
Trade Payable	246.80	-	-	-	246.80
Other Financial Liabilities	139.92	10.23	-	-	150.15
Lease Liabilities	12.12	0.78	13.78	85.01	111.68
Total	1,384.59	455.75	471.49	85.01	2,396.83

Maturity Profile of financial liabilities as at 31 March 2025					
Particular	Within 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
Borrowings	746.76	471.24	867.89	-	2,085.89
Trade Payable	294.19	-	-	-	294.19
Other Financial Liabilities	103.61	7.95	-	-	111.56
Lease Liabilities	3.13	10.22	10.73	76.62	100.69
Total	1,144.56	489.41	878.62	76.62	2,592.33

(iii) Capital management

The capital structure of the Group consists of equity, debt, cash and cash equivalents. The Group's objective for capital management is to maintain the capital structure which will support the Group's strategy to maximise shareholders' value, safeguarding the business continuity and help in supporting the growth of the Group.

As at 31 March 2026, the Group meets its capital requirement through equity and borrowings. The Group monitors its capital and debt on basis of debt to equity ratio.

The debt-equity ratio for the reporting period is as follow:

Particulars	As at	As at
	31 March 2026	31 March 2025
Total borrowings including Lease liabilities	1,947.94	2,132.50
Total Equity	3,677.89	3,266.56
Debt-Equity ratio	0.53	0.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

38 SEGMENT INFORMATION:

(i) Identification of Segments:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Management committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 Operating Segments), in deciding how to allocate resources and in assessing performance. The Group is principally engaged in manufacturing of Poultry vaccines and Large Animal Vaccines and trading of Poultry, Large animal and Pet health products. The CEO and Managing Director (CMD) and Senior management of the Group constitutes the CODM of the Group.

The Group has two principal operating and reporting segments viz. Poultry Healthcare and Animal Healthcare (Ruminant and Pet). The accounting policies adopted for segment reporting are in line with the accounting policies of the Group.

(ii) Information about product and services:

Particulars	Poultry Healthcare	Animal Healthcare	Others	Total
Year Ended 31 March 2026				
Segment Revenue				
Revenue from operations	2,059.71	1,266.28	-	3,325.99
Identifiable Segment Expenses	(1,478.84)	(1,013.58)	-	(2,492.42)
Segment Results	580.87	252.70	-	833.57
Less: Unallocable Finance Cost				109.34
Add: Share of Profit in Joint Venture Entity				63.73
Less: Other Unallocable Expense (net)				29.60
Net Profit before Tax				758.36
Less: Tax Expense				183.52
Net Profit after Tax				574.84
Year Ended 31 March 2025				
Segment Revenue				
Revenue from operations	1,674.54	1,436.48	-	3,111.02
Identifiable Segment Expenses	(1,404.70)	(1,162.47)	-	(2,567.17)
Segment Results	269.84	274.01	-	543.85
Less: Unallocable Finance Cost				127.03
Add: Share of Profit in Joint Venture Entity				41.00
Less: Other Unallocable Expense (net)				62.11
Net Profit before Tax				395.71
Less: Tax Expense				107.45
Net Profit after Tax				288.26
Other Information:				
Particulars	Poultry Healthcare	Animal Healthcare	Others	Total
Year Ended 31 March 2026				
Segment Assets	1,233.57	2,253.88	-	3,487.45
Unallocated Assets				3,291.96
Total				6,779.41
Segment Liabilities	158.01	233.24	-	391.25
Unallocated Liabilities				2,710.27
Total				3,101.52
Non-cash items	154.50	(5.24)	-	149.26
Capital Expenditure	7.98	18.71	-	26.69
Unallocated Non cash items				1.26
Unallocated Capital Expenditure				179.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

Particulars	Poultry Healthcare	Animal Healthcare	Others	Total
Year Ended 31 March 2025				
Segment Assets	2,614.37	1,946.57	2.85	4,563.79
Unallocated Assets				1,970.06
Total				6,533.85
Segment Liabilities	170.32	312.68	-	483.00
Unallocated Liabilities				2,784.29
Total				3,267.29
Non cash items	38.03	(6.06)	-	31.97
Capital Expenditure	149.37	26.23	55.05	230.65

Notes:

- Others segment include sale of other Pharmaceutical products.
- Unallocated assets comprise Property, Plant and Equipment and other assets pertaining to the BSL-3 and Fill Finish facilities capitalised during the year. As these facilities are intended to support operations across multiple segments and the associated economic benefits are expected to be derived jointly by both segments, the related assets have not been specifically allocated to any individual segment and are accordingly disclosed as unallocated assets.

(iii) Secondary Reportable Segment (Geographical):

Particulars	In India	Outside India	Total
Segment Revenue			
As at 31 March 2026	2,619.71	706.28	3,325.99
As at 31 March 2025	2,609.48	501.54	3,111.02
Non-current operating assets			
As at 31 March 2026	3,010.46	1,234.70	4,245.16
As at 31 March 2025	2,998.22	1,187.56	4,185.78

Information about major customers:

The Group did not have any external revenue from a particular customer which exceeded 10% of total revenue.

39 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013:

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income		
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated total comprehensive income	Amount	
Holding Company									
Hester Biosciences Limited	104.73%	3,851.82	90.63%	521.00	2.15%	(0.50)	94.37%	520.50	
Subsidiary Company (Indian)									
Texas Lifesciences Private Limited (Refer Note 40)	-	-	1.34%	7.69	(0.35%)	0.08	1.41%	7.77	
Subsidiary Company (Foreign)									
Hester Biosciences Nepal Private Limited	3.81%	140.29	3.91%	22.49	-	-	4.08%	22.49	
Hester Biosciences Africa Limited	(6.40%)	(235.42)	(4.41%)	(25.35)	34.71%	(8.08)	(6.06%)	(33.43)	
Hester Biosciences Kenya Limited	1.97%	72.46	0.87%	5.00	(2.15%)	0.50	1.00%	5.50	
Joint Venture Entity									
Thrishool Exim Limited	10.95%	402.75	11.09%	63.73	-	-	11.55%	63.73	
Non-Controlling interest in Subsidiary Companies	2.05%	75.54	3.21%	18.45	(0.30%)	0.07	3.36%	18.52	
Inter company transaction	(17.11%)	(629.55)	(6.64%)	(38.17)	65.94%	(15.35)	(9.71%)	(53.52)	
Total	100.00%	3,677.89	100.00%	574.84	100.00%	(23.28)	100.00%	551.56	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

40	SALE OF EQUITY SHARES OF TEXAS LIFESCIENCE PRIVATE LIMITED ("TLPL"):	
	The Board of Directors of the Company at its meeting dated 11 March 2026 has approved the divestment of 43.81% equity shareholding out of 54.81% in its subsidiary, Texas Lifescience Private Limited ("TLPL") by way of sale/ transfer of 2,163,377 Equity Shares of INR 10 each at the price of INR 42.34 per share to entity affiliated to existing promoter shareholders of TLPL. TLPL ceased to be subsidiary of the company from 27 March 2026 onwards.	
	Gain on cessation:	
	Particulars	Amount
	Cash consideration received	79.60
	Cash consideration receivable	12.00
	Remaining investment	5.43
	Non controlling interest derecognised	66.99
	Net assets transferred of subsidiary	(148.35)
	Total gain on cessation of subsidiary	15.67
	De-recongnisaiton of capital reserve of subsidiary	(13.69)
	Gain on cessation charged to Profit and loss	29.36
		15.67
	Below is the summary of assets and liabilities derecognised:	
	Particulars	Amount
	Assets transferred	
	Non-current assets	
	(a) Property Plant and Equipment	90.37
	(b) Other Financial Assets	0.16
	Total Non-current Assets	90.53
	Current assets	
	(a) Inventories	13.96
	(b) Financial assets	
	(i) Trade Receivables	11.72
	(ii) Cash and Bank Balances	4.18
	(iii) Loans	0.19
	(c) Other Current Assets	60.68
	Total Current Assets	90.73
	Total Assets	181.26
	Liabilities transferred	
	Non-current liabilities	
	(a) Financial Liabilities	
	(i) Other Financial Liabilities	0.12
	(b) Deferred Tax Liabilities (Net)	3.37
	(c) Provisions	4.03
	Total Non-current Liabilities	7.52
	Current liabilities	
	(a) Financial Liabilities	
	(i) Trade Payables	16.20
	(ii) Other Financial Liabilities	2.06
	(b) Other Current Liabilities	5.38
	(c) Provisions	1.26
	(d) Current Tax Liabilities	0.49
	Total Current Liabilities	25.39
	Total Liabilities	32.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

(All amounts are in INR Million, unless otherwise stated)

41	OTHER STATUTORY INFORMATION:
	a) The Group has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken.
	b) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous year.
	c) The Group has not advanced or loaned or invested funds (either borrowed funds or security premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
	d) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
42	EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:
	The Group evaluates events and transactions that occur subsequent to the Balance Sheet date prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 15 May 2026, there was no subsequent event to be recognised or reported that are not already disclosed elsewhere in these Consolidated Financial Statements except as under: Subsequent to the balance sheet date, but prior to the date of approval of these financial statements by the Board of Directors, a material loan amendment agreement was executed between Hester Biosciences Africa Limited, a wholly-owned subsidiary of the Company, and the Gates Foundation (USA). Under the revised terms, the outstanding loan principal was reduced from USD 12 million (INR 1,138.02 million) to USD 5 million (INR 474.18 million), all accrued interest amounting to USD 0.99 million (INR 93.89 million) were waived, further loan balances will carry no interest charges, and the repayment schedule was extended. As this amendment represents a non-adjusting event under Ind AS 10, the current balance sheet numbers remain unadjusted, and the financial effects of the debt reduction and interest waiver will be formally recognised in the subsequent financial period.
43	RECENT PRONOUNCEMENTS
	The Ministry of Corporate Affairs, vide notifications dated 13 August 2025 has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, amending several Indian Accounting Standards as detailed below. These amendments are primarily effective for annual periods beginning on or after 01 April 2026. Key amendments include: Ind AS 1 - Changes in classification and disclosure requirements for liabilities, especially those arising from loan arrangements with covenants. The Company is in the process of evaluating the impact of these amendments on its financial statements. Based on preliminary assessment, the amendments are not expected to have a material effect on the Company's financial position or performance for the year ended 31 March 2026. However, additional disclosures may be required in future periods upon application of these amendments. The Company will implement these amendments as and when they become applicable.

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri

Partner **Date** 15 May 2026
Membership No.: 135475 **Place** Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Ashish Desai
Chief Financial Officer

Vinod Mali
Company Secretary

Date 15 May 2026
Place Kadi, Mehsana

TEN-YEAR FINANCIAL STATISTICS

(All amounts are in INR Million, unless otherwise stated)

YEAR ENDED ON 31 MARCH	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Sale	1,234.87	1,319.14	1,703.53	1,540.23	1,909.04	2,155.02	2,490.87	2,840.92	2,863.22	2,879.11
Other Operational Income	20.91	33.39	8.34	154.02	175.74	38.49	49.13	10.63	1.44	42.25
REVENUE FROM OPERATIONS	1,255.78	1,352.53	1,711.87	1,694.25	2,084.77	2,193.51	2,540.00	2,851.55	2,864.66	2,921.36
Other Income	7.26	18.77	30.97	29.26	16.48	46.57	53.23	42.62	47.64	76.35
TOTAL INCOME	1,263.04	1,371.30	1,742.84	1,723.51	2,101.25	2,240.08	2,593.23	2,894.17	2,912.30	2,997.71
TOTAL EXPENSES	932.17	934.23	1,145.33	1,311.23	1,500.64	1,707.52	2,153.99	2,526.85	2,494.70	2,370.85
(a) Cost of material consumed	177.67	217.04	227.32	211.31	241.75	370.74	292.81	326.86	388.58	462.23
(b) Purchase of Stock-in-trade	88.05	78.42	137.26	171.89	252.09	392.97	553.71	565.95	448.37	394.38
(c) (Increase)/decrease in inventories	33.21	(62.35)	(72.45)	(155.74)	40.14	(125.26)	(47.71)	103.64	99.65	(36.93)
(d) Employee benefits expenses	183.23	222.88	267.42	371.56	334.51	391.19	479.17	567.20	547.63	531.74
(e) Finance Cost	32.08	23.16	35.43	50.34	39.47	24.68	64.97	50.93	53.67	71.69
(f) Depreciation and amortisation expense	55.09	54.51	75.66	93.85	96.33	95.02	97.88	97.78	85.81	102.52
(g) Other Expenses	362.84	400.57	474.70	568.02	496.35	558.18	713.16	814.49	870.99	845.22
PROFIT BEFORE EXCEPTIONAL ITEMS	330.87	437.07	597.51	412.28	600.61	532.56	439.24	367.32	417.60	626.86
Exceptional Items	-	-	-	-	(52.78)	-	-	-	-	69.96
PROFIT BEFORE TAX	330.87	437.07	597.51	412.28	547.83	532.56	439.24	367.32	417.60	696.82
Tax Expenses	81.47	131.49	158.99	100.05	148.82	137.39	115.82	95.73	99.18	175.82
PROFIT AFTER TAX	249.40	305.58	438.52	312.23	399.01	395.17	323.42	271.59	318.42	521.00
BALANCE SHEET AS AT 31 MARCH	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
SOURCES OF FUNDS :										
Share Capital	85.07	85.07	85.07	85.07	85.07	85.07	85.07	85.07	85.07	85.07
Other Equity	1,135.85	1,375.71	1,709.30	1,945.73	2,290.74	2,599.27	2,838.75	3,042.05	3,305.80	3,766.75
Grants	-	-	-	-	-	-	240.00	500.00	500.00	461.25
Borrowings	361.77	387.99	323.04	392.46	159.01	1,219.13	1,643.22	1,335.64	1,042.67	744.72
TOTAL	1,582.68	1,848.77	2,117.40	2,423.27	2,534.83	3,903.47	4,807.04	4,962.76	4,933.54	5,057.79
APPLICATION OF FUNDS :										
Property, Plant and Equipments and Intangible assets	821.45	972.13	1,012.26	976.38	904.12	1,662.18	2,568.24	2,748.59	2,881.62	2,973.35
Investments	86.02	144.78	282.19	406.71	438.85	646.89	646.89	646.89	646.89	642.82
Non-Current Assets	128.81	96.67	113.93	152.57	81.12	270.63	82.54	55.86	79.10	59.65
Non Current Liabilities	(1.50)	(0.50)	(0.50)	(1.53)	(3.03)	(5.53)	(7.03)	(7.03)	(7.83)	(12.53)
Current Assets	748.12	891.30	994.02	1,214.99	1,396.06	1,664.72	2,160.48	2,044.12	1,852.35	1,897.64
Current liabilities	(164.32)	(182.36)	(181.02)	(242.96)	(205.56)	(259.34)	(551.03)	(425.56)	(428.23)	(376.00)
Provisions	(0.43)	(0.01)	(2.59)	(0.01)	(8.67)	(13.16)	(21.58)	(29.26)	(33.03)	(38.65)
Deferred Tax Liabilities	(35.46)	(73.23)	(100.89)	(82.89)	(68.06)	(62.92)	(71.47)	(70.85)	(57.33)	(88.49)
TOTAL	1,585.68	1,849.77	2,118.40	2,426.32	2,540.88	3,914.53	4,821.10	4,976.82	4,949.20	5,057.79
Equity Dividend	53%	100%	110%	66%	100%	100%	80%	60%	70%	110%

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