

Granules USA, Inc.**Consolidated Balance Sheet as at March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	3A	17,750	14,007
Right-of-use assets	3B	6,110	6,844
Capital work-in-progress	3C	27	5,387
Other intangible assets	3D	734	224
Other financial assets	5C	89	183
Deferred tax assets	20C	1,987	1,189
Income tax assets (net)		158	62
Other non-current assets	6A	-	14
Total non-current assets		26,855	27,910
Current assets			
Inventories	4	36,222	32,548
Financial assets			
(i) Trade receivables	5A	19,692	24,688
(ii) Cash and cash equivalents	5B	2,424	3,802
wings			
wings			
Other current assets	6B	536	455
Total current assets		58,874	61,493
Total assets		85,729	89,403
Equity and liabilities			
Equity			
Equity share capital	7	70	70
Other equity	8	(1,734)	401
Total equity		(1,664)	471
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	11	6,372	6,982
(ii) Borrowings	9A	18,619	-
Total non-current liabilities		24,991	6,982
Current liabilities			
Financial liabilities			
(i) Borrowings	9A	15,393	15,000
(ii) Lease liabilities	11	610	557
(iii) Trade payables	9B	42,858	64,447
(iv) Other financial liabilities	9C	3,485	1,823
Other current liabilities	10	56	123
Total current liabilities		62,402	81,950
Total liabilities		87,393	88,932
Total equity and liabilities		85,729	89,403

Material accounting policies

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The accompanying notes are an integral part of these consolidated financial statements

Granules USA, Inc.**Consolidated Statement of Profit and loss for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

Particulars	Notes	For the year ended Mar 31, 2025	For the year ended Mar 31, 2024
Income			
Revenue from operations	12	1,06,200	86,790
Other income	13	1,316	1,842
Total income		1,07,516	88,632
Expenses			
Cost of materials consumed	14	89,358	79,000
Changes in inventories of work-in-progress and finished goods	15	(3,432)	(8,509)
Employee benefit expenses	16	10,732	7,967
Finance costs	17	1,664	1,333
Depreciation and amortisation expense	18	2,103	1,800
Impairment of financial assets	19	114	206
Other expenses	20	9,905	10,023
Total expenses		1,10,444	91,820
Loss before tax		(2,928)	(3,188)
Tax expense / (credit)			
(i) Current tax	20A	5	125
(ii) Deferred tax	20A	(798)	(1,015)
Total tax expense / (credit)		(793)	(890)
Loss for the year		(2,135)	(2,298)
Other comprehensive income			
Items that will be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Total comprehensive income for the year		(2,135)	(2,298)
Earnings per share:			
Equity shares of par value of USD 0.10 each	21		
Basic EPS		(3.05)	(3.28)
Diluted EPS		(3.05)	(3.28)
Material accounting policies	2		
The accompanying notes are an integral part of these consolidated financial statements.			

Granules USA, Inc.**Consolidated Statement of Changes in Equity for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

Equity share capital (refer note 7)

Particulars	Balance at the beginning of the year	Shares issued during the year	Balance at the end of the year
March 31, 2025	70	-	70
March 31, 2024	70	-	70

Other equity (refer note 8)

Particulars	Reserves and surplus		Total other Equity
	Securities premium	Retained earnings	
Balance as on April 01, 2023	180	2,519	2,699
Loss for the year	-	(2,298)	(2,298)
Balance as on March 31, 2024	180	221	401
Loss for the year	-	(2,135)	(2,135)
Balance as on March 31, 2025	180	(1,914)	(1,734)

The accompanying notes are an integral part of these consolidated financial statements

Granules USA, Inc.
Consolidated Statement of cash flows for the year ended March 31, 2025

(All amounts are in USD thousands except share data and unless otherwise stated)

Particulars	For the year ended Mar 31, 2025	For the year ended Mar 31, 2024
Cash flow from operating activities		
Net profit/(loss) before tax	(2,928)	(3,188)
Adjustments for:		
Depreciation and amortisation expense	2,103	1,800
Impairment of financial assets	114	206
Finance cost	1,664	1,333
Operating profit before working capital changes	953	151
Movements in working capital:		
(Increase) / Decrease in trade receivables	4,882	(9,558)
Increase in inventories	(3,674)	(9,927)
(Increase) / Decrease in other financial and non financial assets	13	(282)
Increase / (Decrease) in trade payables and other liabilities	(19,779)	27,127
Cash generated from operations	(17,605)	7,511
Direct taxes paid (net of refunds)	(101)	(330)
Net cash flow (used in) / generated from operating activities	(17,706)	7,181
	(A)	
Cash flow used in investing activities		
Purchase of property, plant and equipments and intangible assets including capital work-in-progress, capital advances and capital creditors	(455)	(3,458)
Net cash flow used in investing activities	(455)	(3,458)
	(B)	
Cash flow from/(used in) financing activities		
Proceeds from non-current borrowings	29,300	-
Repayment of non-current borrowings	(10,900)	-
Proceeds from current borrowings	-	3,000
Repayment of current borrowings	-	(3,000)
Finance cost paid	(693)	(1,010)
Repayment of lease liabilities (including related interest)	(924)	(813)
Net cash flow from/(used in) financing activities	16,783	(1,823)
	(C)	
Net increase/(decrease) in cash and cash equivalents	(1,378)	1,900
	(A+B+C)	
Cash and cash equivalents at the beginning of the year	3,802	1,902
Cash and cash equivalents at the end of the year	2,424	3,802
Components of cash and cash equivalents:		
Balances with banks		
On current accounts	2,424	3,802
Total cash and cash equivalents (Refer note 5B)	2,424	3,802

Granules USA, Inc.**Consolidated Statement of cash flows for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

Changes in liabilities arising from financing activities	Lease liabilities - Non Current and Current (Refer Note 11)	Borrowings - Non Current (Refer Note 9A)	Borrowings - Current (Refer Note 9A)	Finance cost other than lease liabilities
Opening as at March 31, 2023	7,960	-	15,000	77
Proceeds from current borrowings	-	-	-	-
Repayment of current borrowings	-	-	-	-
Additions	-	-	-	-
Deletions	-	-	-	-
Finance cost	392	-	-	941
Payment of lease liabilities	(813)	-	-	-
Finance cost paid	-	-	-	(1,010)
Closing as at March 31, 2024	7,539	-	15,000	8
Proceeds from current borrowings	-	29,300	-	-
Repayment of current borrowings	-	(10,900)	-	-
Additions	-	-	-	-
Deletions	-	-	-	-
Finance cost	367	-	-	1,297
Payment of lease liabilities	(924)	-	-	(694)
Finance cost paid	-	-	-	-
Closing as at March 31, 2025	6,982	18,400	15,000	612

The above Consolidated statement of cash flow has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows".

The accompanying notes are an integral part of these consolidated financial statements

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

3A. Property, plant and equipment

Particulars	Leasehold Improvements	Plant and machinery	Data processing equipment	Office equipment	Furniture and fittings	Vehicles	Total Assets
Gross carrying amount							
At April 01, 2023	27	65	62	1	59	46	260
Additions	7,815	6,713	90	266	152	-	15,036
Disposals	-	-	-	-	-	-	-
At March 31, 2024	7,842	6,778	152	267	211	46	15,296
Additions	333	4,361	213	77	22	-	5,006
Disposals	-	-	-	-	-	-	-
At March 31, 2025	8,175	11,139	365	344	233	46	20,302
Accumulated Depreciation							
At April 01, 2023	15	65	58	1	58	46	243
Depreciation for the year	593	375	21	44	13	-	1,046
At March 31, 2024	608	440	79	45	71	46	1,289
Depreciation for the year	734	411	37	64	17	-	1,263
At March 31, 2025	1,342	851	116	109	88	46	2,552
Net carrying amount							
At March 31, 2024	7,234	6,338	73	222	140	-	14,007
At March 31, 2025	6,833	10,288	249	235	145	-	17,750

During the year ended March 31, 2025, the management performed an operational review on Property, plant and equipment. As a result, the Company has revised the useful life for certain items of plant and equipment based on the technical evaluation performed by the valuator and has increased the useful life of certain items of plant and equipment.

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

3B. Right-of-use assets

Particulars	March 31, 2025	March 31, 2024
Gross carrying amount		
Opening balance	8,317	8,317
Additions	-	-
Disposals	-	-
Closing balance	8,317	8,317
Accumulated Depreciation		
Opening balance	1,473	739
Depreciation for the year	734	734
Closing balance	2,207	1,473
Net carrying amount	6,110	6,844

3C. Capital work-in-progress**Capital work-in-progress movement**

Particulars	March 31, 2025	March 31, 2024
Balance at the beginning of the year	5,387	16,542
Additions	262	3,881
Capitalized during the year	(5,622)	(15,036)
Balance at the end of the year	27	5,387

Ageing Schedule for Capital work in progress as below

Particulars	March 31, 2025				March 31, 2024			
	Amount in CWIP for period of				Amount in CWIP for period of			
	less than 1 year	1-2 years	2-3 years	Total	less than 1 year	1-2 years	2-3 years	Total
Projects in progress	27	-	-	27	2,851	2,536	-	5,387
Total	27	-	-	27	2,851	2,536	-	5,387

i) There is no project which is temporarily suspended

ii) Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling plans.

iii) Project in progress are neither overdue nor exceeds their cost when compared to its original plan during the current or previous year.

iv) For contractual commitments - refer note 22.

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

3D. Other intangible assets

Particulars	Technical know how	Software	Total
Gross carrying amount			
At April 01, 2023	4	-	4
Additions	-	244	244
Disposals	-	-	-
At March 31, 2024	4	244	248
Additions	-	616	616
Disposals	-	-	-
At March 31, 2025	4	860	864
Accumulated Depreciation			
At April 01, 2023	4	-	4
Depreciation for the year	-	20	20
At March 31, 2024	4	20	24
Depreciation for the year	-	106	106
At March 31, 2025	4	126	130
Net carrying amount			
At March 31, 2024	-	224	224
At March 31, 2025	-	734	734

The Group has not revalued its intangible assets during the current or previous year.

Granules USA, Inc.
Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in USD thousands except share data and unless otherwise stated)

4. Inventories (at lower of cost or net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Packing materials	3,725	3,483
Finished goods*	32,497	29,065
Total	36,222	32,548

* includes finished goods in transit USD 2,099 thousands (March 31, 2024 - USD 11,720 thousands)

5. Financial assets
5A. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Considered good	19,692	24,281
(b) Significant increase in credit risk	-	407
(c) Credit impaired	16	206
	19,708	24,894
Allowance for expected credit losses	(16)	(206)
Total	19,692	24,688

Trade receivables are non-interest bearing and are generally on terms of less than 1 year.

The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 25.

Refer Note 23 for trade receivables from related parties.

Details of changes in allowance for doubtful trade receivables/ credit losses :

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	206	298
Provision made during the year, net of reversals	(190)	(92)
Total	16	206

Ageing Schedule for Trade receivables as below
As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	
(i) Undisputed Trade receivables - considered good	12,777	6,054	458	-	-	-	19,289
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	317	86	-	-	403
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	16	-	-	16
Total	12,777	6,054	775	102	-	-	19,708

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	< 6 months	6 months -1 year	1-2 Years	2-3 years	> 3 years	
(i) Undisputed Trade receivables - considered good	13,440	8,956	1,885	-	-	-	24,281
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	82	325	-	-	407
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	206	-	-	206
Total	13,440	8,956	1,967	531	-	-	24,894

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

5B. Cash and cash equivalents

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Balance with banks:		
In current accounts	2,424	3,802
Total	2,424	3,802

5C. Other financial assets - Non current

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Security deposits	89	89
Other receivables	-	94
Total	89	183

6. Other assets**6A. Other non-current assets**

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Advance for capital works	-	14
Total	-	14

6B. Other current assets

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Prepaid expenses	364	175
Advance to suppliers	172	280
Total	536	455

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

7. Equity Share capital

	As at March 31, 2025	As at March 31, 2024
Authorized share capital		
2,500,000 (March 31, 2024: 2,500,000) equity shares of USD 0.10 each	250	250
	250	250
Issued, subscribed and fully paid up shares		
700,000 fully paid up equity shares of USD 0.10 each (March 31, 2024: 700,000 equity shares of USD 0.10 each)	70	70
Total issued, subscribed and fully paid-up share capital	70	70

7A Reconciliation of shares outstanding at the beginning and at the end of the year

	As at March 31, 2025		As at March 31, 2024	
	No.	USD	No.	USD
At the beginning of the year	7,00,000	70	7,00,000	70
Add: Shares issued during the year	-	-	-	-
Number of shares at the end of the year	7,00,000	70	7,00,000	70

7B Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of USD 0.10 per share. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend during the year ended March 31, 2025 and March 31, 2024. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

7C Details of shareholders holding more than 5% equity shares in the Company

	As at March 31, 2025		As at March 31, 2024	
	Numbers	% holding	Numbers	% holding
Granules India Limited	7,00,000	100	7,00,000	100

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

8. Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Securities Premium	180	180
Retained earnings	(1,914)	221
Total	(1,734)	401

Refer statement of changes in equity for the movement in reserves.

Securities premium reserve

Securities premium represents premium received on issue of shares.

Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders.

Granules USA, Inc.
Notes to Consolidated Financial Statements for the year ended March 31, 2025
(All amounts are in USD thousands except share data and unless otherwise stated)

9. Financial liabilities

9A. Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Non current		
Loan from related parties (unsecured)	18,619	-
Current		
Working capital loan from bank (secured)	15,393	15,000
Total	34,012	15,000

Loan from related parties (unsecured)

- The Borrower may utilize the Loans drawn hereunder for general costs and expenses directly associated with the operations of the Borrower.
- The borrowing is repayable after 5 years from date of agreement or such other date as the Lender and Borrower may agree from time to time.
- The interest rate as per the agreement was stipulated at 4.57% per annum
- Group's exposure to liquidity risk are included in note 25.
- Refer note 23 for borrowings from related parties

Working capital loan from bank (secured)

- Under a line of credit agreement (the "agreement") with a bank, the Company has available facility of USD 15 Million.
- This borrowing is repayable on demand.
- The interest rate as per the agreement was stipulated at 0.90% plus the applicable Compounded Reference Rate.
- Borrowing is secured with corporate guarantee given by Granules India Limited (Holding company)
- Group's exposure to interest rate risk and liquidity risk are included in note 25.

9B. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables (refer notes below)	42,858	64,447
Total	42,858	64,447

Note (a):

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 25.
Refer Note 23 for trade payables to related parties.

Note (b):

Ageing Schedule for Trade payables as below

As on March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	less than 1 year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	-	-	-	-	-
ii) Others	42,831	20	7	-	42,858
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-others	-	-	-	-	-

As on March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	less than 1 year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	-	-	-	-	-
ii) Others	64,132	315	-	-	64,447
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-others	-	-	-	-	-

9C. Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Employee benefits payable	1,473	1,139
Interest accrued but not due	-	8
Creditors for capital works	-	207
Others	2,012	469
Total	3,485	1,823

10. Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities (refer note 12)	56	123
Total	56	123

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

11. Leases**The following is the break up of current and non current lease liabilities**

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current lease liabilities	6,372	6,982
Current lease liabilities	610	557
Total	6,982	7,539

The following is the movement in lease liabilities :

Particulars	Amount
Balance as at March 31, 2023	7,960
Additions	-
Finance cost incurred during the year	392
Deletions	-
Payments of lease liabilities	(813)
Balance as at March 31, 2024	7,539
Additions	-
Finance cost incurred during the year	367
Deletions	-
Payments of lease liabilities	(924)
Balance as at March 31, 2025	6,982

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis.

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	948	924
One to five years	3,781	3,773
More than five years	3,993	4,949
	8,722	9,646

i. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii. The effective interest rate for lease liabilities is 5%, with maturity between 2027-2034

Amounts recognised in statement of profit and loss related to leases

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expenses of right-of-use assets (refer note 18)	734	734
Interest expense on lease liabilities (refer note 17)	367	392
Expenses relating to short term leases (refer note 19)	559	1,803
Total amount recognized in Statement of profit and loss	1,660	2,929

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

12. Revenue from operations

Particulars	For the year ended Mar 31, 2025	For the year ended Mar 31, 2024
Sale of products	1,06,200	86,790
Total	1,06,200	86,790

The operations of the Company are limited to one segment viz. pharmaceuticals products. Revenue from contract with customers is from sale of manufactured goods. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

Variable components such as rebates, discounts, returns and other related charges continues to be recognised as deductions from revenue in compliance with Ind AS 115.

Reconciliation of Revenue recognised with contract price

	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per the contracted price	1,12,220	87,779
<i>Adjusted for :</i>		
Sales returns	2,799	439.00
Rebates and discounts	3,221	550.00
Total revenue from contracts with customers	1,06,200	86,790

The following table shows the distribution of the Company's revenue (excluding other operating income) by Region-wise, based on the location of the customers:

Revenue from sale of products is recognised at point in time as the goods are transferred.

Region	For the year ended March 31, 2025	For the year ended March 31, 2024
United States of America	1,02,435	85,341
Canada	2,002	726
Belgium	1,355	677
India	282	44
Switzerland	126	-
Panama	-	2
Total	1,06,200	86,790

Details of contract liabilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities (refer note 10)	56	123
	56	123

The Contract liabilities primarily relate to advance consideration received from customers for sale of products, for which revenue is recorded at a point in time.

13. Other income

Particulars	For the year ended Mar 31, 2025	For the year ended Mar 31, 2024
Sales commission	1,113	1,554
Warehouse income	-	288
Insurance claim receivables	51	-
Subsidy income	106	-
Others	46	-
Total	1,316	1,842

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

14. Cost of materials consumed

Particulars	For the year ended Mar 31, 2025	For the year ended Mar 31, 2024
Inventory at the beginning of the year	3,483	2,065
Add: Purchases	89,600	80,418
	93,083	82,483
Less: Inventory at the end of the year	3,725	3,483
Cost of materials consumed	89,358	79,000

15. Changes in inventory of work-in-progress and finished goods

Particulars	For the year ended Mar 31, 2025	For the year ended Mar 31, 2024
Inventories at the end of the year		
Finished goods	32,497	29,065
	32,497	29,065
Inventories at the beginning of the year		
Finished goods	29,065	20,556
	29,065	20,556
Total	(3,432)	(8,509)

16. Employee benefit expense

Particulars	For the year ended Mar 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	10,675	7,892
Staff welfare expenses	57	75
Total	10,732	7,967

17. Finance costs

Particulars	For the year ended Mar 31, 2025	For the year ended March 31, 2024
Interest on working capital loans	1,161	867
Interest on lease liabilities	367	392
Other borrowing cost	136	74
Total	1,664	1,333

18. Depreciation and amortisation expense

Particulars	For the year ended Mar 31, 2025	For the year ended March 31, 2024
Depreciation	1,997	1,780
Amortisation	106	20
Total	2,103	1,800

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

19. Other expenses

Particulars	For the year ended Mar 31, 2025	For the year ended March 31, 2024
Rent	559	1,803
Insurance	850	722
Consumables	493	364
Power and fuel	162	150
Effluent treatment expenses	46	30
Repairs and maintenance	1,137	699
Sales commission	802	403
Carriage outwards and clearing charges	2,522	1,640
Business promotion expense and other commercial expenses	1,015	1,486
Rates and taxes	576	227
Printing and stationery	5	1
Membership and subscriptions	239	220
Remuneration to auditors	36	31
Consultancy charges	791	1,097
Travelling and conveyance	228	193
Advertisement charges	148	527
Miscellaneous expenses	296	430
Total	9,905	10,023

Granules USA, Inc.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in USD thousands except share data and unless otherwise stated)

20. Tax expense

20A. Income tax expense:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current Tax:		
In respect of current year	5	24
In respect of prior years	-	101
Total current tax expense	5	125
Deferred Tax:		
In respect of current year origination and reversal of temporary differences-Federal	(599)	(866)
In respect of current year origination and reversal of temporary differences-State	(199)	(149)
Utilization of prior year tax loss used to reduce deferred tax expense	-	-
Total deferred tax expense	(798)	(1,015)
Total tax expense recognised in statement of profit and loss	(793)	(890)

20B. Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/(loss) before tax	(2,928)	(3,188)
Income tax expense calculated at 21%	(615)	(669)
Effect of expenses that is non-deductible in determining taxable profit	4	(15)
State taxes	(194)	(128)
Others	12	(78)
Income tax expense recognised in profit or loss	(793)	(890)

20C. Deferred tax balance

(i) Movement in deferred tax balances for the year ended March 31, 2025

Particulars	For the Year ended 31 March 2025		
	As at April 01, 2025	Recognised in profit and loss	As at March 31, 2025
Tax effect of items constituting deferred tax liabilities			
Property, plant and equipment and Intangible assets	(472)	(79)	(551)
	(472)	(79)	(551)
Tax effect of items constituting deferred tax assets			
Employee benefits	192	62	254
Provisions	166	82	248
Deferred income	31	(16)	15
Carryforward losses	891	180	1,071
Leases	175	52	227
Interest disallowed (Section 163j)		569	569
Inventory - UNICAP 263A	206	(52)	154
	1,661	877	2,538
Net Deferred tax asset	1,189	798	1,987

(ii) Movement in deferred tax balances for the year ended March 31, 2024

Particulars	For the Year ended 31 March 2024		
	As at April 01, 2024	Recognised in profit and loss	As at March 31, 2024
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	(2)	(470)	(472)
	(2)	(470)	(472)
Tax effect of items constituting deferred tax assets			
Employee Benefits	65	127	192
Provisions	-	166	166
Deferred income	-	31	31
Carryforward losses	-	891	891
Leases	6	169	175
Inventory - UNICAP 263A	105	101	206
	176	1,485	1,661
Net Deferred tax asset	174	1,015	1,189

Granules USA, Inc.
Notes to Consolidated Financial Statements for the year ended March 31, 2025
(All amounts are in USD thousands except share data and unless otherwise stated)

21. Earning per equity share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/(loss) for the year	(2,135)	(2,298)
Weighted average number of equity shares considered for calculation of basic EPS	7,00,000	7,00,000
Add: Effect of dilution	-	-
Weighted average number of equity shares considered for calculation of diluted EPS	7,00,000	7,00,000
Earnings per share		
- Basic (in USD)	(3)	(3)
- Diluted (in USD)	(3)	(3)

22. Contingent liabilities and commitments

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Contingent liabilities:		
(a) Claims against the company not acknowledged as debt	Nil	Nil
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	7	141

Open litigation as of March 31, 2025

- During the year 2019-20, the Company received a class action suit from a plaintiff stating that one of the products of the Company – Metformin had a carcinogenic element. However, the USFDA obtained test results from the Company and issued a clean report. As of March 31, 2025, the litigation is active. The legal attorney is unable to state that an outcome unfavorable to the Company is either probable or remote, nor they are in a position to provide an estimate of the amount or range of potential loss in the event of an unfavorable outcome.
- In 2020, the FDA asked manufacturers to recall all products containing Ranitidine due to fear that Ranitidine contained NDMA which can lead to cancer. Soon thereafter, multiple lawsuits were filed, including a multidistrict litigation against Granules, and other manufacturers for failure to adequately warn consumers about this risk. Granules name was mentioned in various litigations filed in the courts of Pennsylvania, Illinois, Florida & California. As on Marh 31, 2025, all these cases are at various stages, any litigation fees and/or settlement amounts payable are covered by insurance.
- RMRX LLC, filed a legal case against Granules Consumer Health, Inc. (“Granules”), by claiming a breach of contract in Superior Court of New Jersey, Bergen Country. Currently case is in the written discovery phase and Granules awaiting responsive documentation from RMRX.

23. Related party disclosures

i) Names of related parties and description of relationship

Name of the related party	Relationship
Granules India Limited	Holding Company
Granules Pharmaceuticals, Inc.	Subsidiary of holding company
Product Armor Packaging Private Limited	Enterprises over which key management personnel or their relatives exercise significant influence
Key managerial personnel	
Mr. Harsha Chigurupati	Director
Mr. Vijay Ramanavarapu	Director
Ms. Priyanka Chigurupati	Director
Mr. Kamal Mandan (w.e.f December 18, 2023)	Director and Chief financial officer

ii) Transactions during the year

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Holding company and its related parties		
i) Granules India Limited		
Purchases	69,638	68,102
Sale of goods	-	50
Sales commission	1,113	1,549
Recovery of expenses	815	560
Corporate guarantee taken	-	-
Corporate Guarantee commission	32	24
Cross charge	80	63

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

ii) Granules Pharmaceuticals, Inc		
Sale of goods	4,621	4,657
Services provided / Reimbursement of Exp	327	-
Purchase of goods	299	381
Recovery of expenses	1,315	1,552
Interest on non-current borrowing	219	-
Non-current borrowing taken	29,300	1,800
Non-current borrowing repaid	10,900	1,800
ii) Granules Life Sciences Private Limited		
Purchase of goods	7,252	-
b) Transactions with enterprises over which key management personnel - directors or their relatives exercise significant influence		
i) Product Armor Packaging Private Limited		
Purchase of goods	652	248
c) Transactions with key managerial personnel - directors or their relatives exercise significant influence		
Mr. Vijay Ramanavarapu		
Remuneration	635	560

iii) Closing balances

Particulars	As at March 31, 2025	As at March 31, 2024
a) Holding company and its related parties		
i) Granules India Limited		
Trade payables	32,185	61,009
Trade receivables	1,625	637
Corporate guarantee taken	15,000	15,750
ii) Granules Pharmaceuticals, Inc		
Trade payables	423	955
Trade receivables	838	2170
Non-current borrowing (including interest)	18,619	-
b) Enterprises over which key management personnel - directors or their relatives exercise significant influence		
i) Product Armor Packaging Private Limited		
Trade payables	205	57

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in Indian Rupees Lakhs except share data and unless otherwise stated)

24. Fair values measurement

The management assessed that loans, cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair valuation measurement hierarchy

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels of fair value hierarchy:

Particulars	As at March 31, 2025						
	Carrying amount				Fair Value		
	Mandatorily at fair value through profit and loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Assets/ liabilities at amortised cost method	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
i) Financial assets							
a) Financial assets not measured at fair value							
Other non current financial assets	-	-	89	89	-	-	-
Trade receivables	-	-	19,692	19,692	-	-	-
Cash and cash equivalents	-	-	2,424	2,424	-	-	-
	-	-	22,205	22,205	-	-	-
ii) Financial liabilities							
a) Financial assets not measured at fair value							
Borrowings	-	-	34,012	34,012	-	-	-
Trade payables	-	-	42,858	42,858	-	-	-
Other current financial liabilities	-	-	3,485	3,485	-	-	-
	-	-	80,355	80,355	-	-	-
As at March 31, 2024							
Particulars	Carrying amount				Fair Value		
	Mandatorily at fair value through profit and loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Assets/ liabilities at amortised cost method	Total carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
i) Financial assets							
a) Financial assets not measured at fair value							
Other non current financial assets	-	-	183	183	-	-	-
Trade receivables	-	-	24,688	24,688	-	-	-
Cash and cash equivalents	-	-	3,802	3,802	-	-	-
	-	-	28,673	28,673	-	-	-
ii) Financial liabilities							
a) Financial assets not measured at fair value							
Borrowings	-	-	15,000	15,000	-	-	-
Trade payables	-	-	64,447	64,447	-	-	-
Other current financial liabilities	-	-	1,823	1,823	-	-	-
	-	-	88,809	88,809	-	-	-

25. Financial risk management**Framework**

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

Credit Risk

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

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The maximum exposure to credit risk was USD 19,692 thousands and USD 24,688 thousands as of March 31, 2025 and March 31, 2024 respectively, being the total of the carrying amount of balances with trade receivables.

Granules USA, Inc.
Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in Indian Rupees Lakhs except share data and unless otherwise stated)

Expected credit loss for trade receivables as at March 31, 2025

Particulars	Not Due	0-180 days	181-365 days	> 365 days	Total
Gross carrying amount of trade receivables	12,777	6,054	775	102	19,708
Expected credit losses (Loss allowance provision)	-	-	-	(16)	(16)
Net carrying amount of trade receivables	12,777	6,054	775	86	19,692

Expected credit loss for trade receivables as at March 31, 2024

Particulars	Not Due	0-180 days	181-365 days	> 365 days	Total
Gross carrying amount of trade receivables	13,440	8,956	1,967	531	24,894
Expected credit losses (Loss allowance provision)	-	-	-	(206)	(206)
Net carrying amount of trade receivables	13,440	8,956	1,967	325	24,688

Liquidity Risk

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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2025:

Particulars	Carrying Value	On demand	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Lease liabilities	6,982	-	948	972	2,809	3,993	8,722
Non current borrowings	-	-	-	-	18,619	-	18,619
Trade payables	42,858	-	42,858	-	-	-	42,858
Current borrowings	15,393	15,393	-	-	-	-	15,393
Other financial liabilities	3,485	-	3,485	-	-	-	3,485

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2024:

Particulars	Carrying Value	Less than 1 year	1-2 years	2-5 years	More than 5 years	Total
Lease liabilities	7,539	924	948	2,825	4,949	9,646
Trade payables	64,447	64,447	-	-	-	64,447
Current borrowings	15,000	15,000	-	-	-	15,000
Other financial liabilities	1,823	1,823	-	-	-	1,823

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. As the Company's debt obligation with fixed interest rates is subject to insignificant change, exposure to the risk of changes in market interest rates are substantially independent of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on borrowings, as follows:

Particulars	Change in basis points	March 31, 2025	March 31, 2024
USD - Borrowings	+100	150	150
	-100	(150)	(150)

Foreign Currency exchange rate risk

The Company predominantly deals in US Dollars which is the currency of the country in which it is domiciled. Hence, fluctuation in foreign currency exchange rates has no potential impact on the statement of profit or loss and other comprehensive income and equity considering the countries and economic environment in which the Company operates.

26. Segment reporting
A. Basis of segmentation

The operations of the Company are limited to one segment viz. Pharmaceutical products including ingredients and intermediaries. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only. Accordingly, management has identified pharmaceutical segment as the only operating segment for the Company.

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

The Company has reportable geographical segments based on location of its customers:

- (i) Revenue from customers within USA – Domiciled country
- (ii) Revenue from customers outside USA – Other than domiciled country

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

	As at March 31, 2025			As at March 31, 2024		
	Domiciled Country	Other than Domiciled Country	Total	Domiciled Country	Other than Domiciled Country	Total
Revenue	1,02,435	3,765	1,06,200	85,341	1,449	86,790
Non-current assets (refer note i)	24,779	-	24,779	26,538	-	26,538

Note:

- i) Non-current assets for this purpose consists of property, plant and equipment, right-of-use assets, capital work-in-progress, other intangible assets, income tax assets (net), other non-current assets.

Granules USA, Inc.**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in USD thousands except share data and unless otherwise stated)

27. Capital management

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

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by equity. Net debt consists of borrowings including interest accrued on borrowings, less cash and cash equivalents and other bank balances.

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Borrowings including interest accrued on borrowings	34,012	15,008
Less: Cash and cash equivalents	(2,424)	(3,802)
Net debt	31,588	11,206
Equity	70	70
Other equity	(1,734)	401
Total equity	(1,664)	471
Net Debt to Equity Ratio	(19)	24

28. Group Information**Information about subsidiaries**

The consolidated financial statements of the Group includes following subsidiary

Name	Country of Incorporation	% of equity interest	
		March 31, 2025	March 31, 2024
Granules Consumer Health, Inc	USA	100%	100%

29. Subsequent event

Granules USA Inc. was merged with Granules Pharmaceuticals Inc. with effect from April 01, 2025.