Natco Pharma Limited
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Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243
CIN : L24230TG1981PLC003201, www.natcopharma.co.in

4th September, 2026

Corporate Relationship Department
M/s. BSE Ltd.
Mumbai – 400 001.
Scrip Code: **524816**

The Manager – Listing
M/s. National Stock Exchange of India Ltd.
MUMBAI – 400 051.
Scrip Code: **NATCOPHARM**

Dear Sir/Madam,

Sub: Annual Report for the 43rd Annual General Meeting (AGM) for the FY 2025-26 as required under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform you that the 43rd Annual General Meeting (AGM) of the Company is scheduled to be held on Wednesday, September 30, 2026, at 11:00 A.M. (IST) through Video Conferencing (VC)/ Other Audio-Visual Means, pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the Annual report for the 43rd Annual General Meeting (AGM) for the financial year 2025- 26.

The above-mentioned annual report is also uploaded on the website of the Company at the below weblink:

https://www.natcopharma.co.in/investor-relations/annual-reports

This is for your information and necessary records.

Thanking you,

Yours faithfully,
For NATCO Pharma Limited

VENKAT RAMESH CHEKURI
Digitally signed by VENKAT RAMESH CHEKURI
Date: 2026.09.04 19:52:02 +05'30'

Ch. Venkat Ramesh
Company Secretary &
Compliance Officer

Encl: As above

Charting into Newer Frontiers

Annual Report
2025-26

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"Making speciality medicines accessible", NATCO's four-and-a-half-decade journey has been driven by our commitment to expanding access to essential therapies. We continue to strengthen our global presence, led by our formulations export business and supported by a diversified portfolio. As part of our strategy to enter new markets and expand into newer therapies, we have entered the South African pharmaceutical market through the acquisition of 49%* stake in Adcock Ingram Holdings Proprietary Limited the second-largest (in terms of private market share) pharmaceutical company in South Africa.

The pharmaceutical landscape is rapidly evolving, it is shaped by scientific breakthroughs, regulatory complexity, and driven by patient needs. The path to sustainable growth lies in exploring new horizons. Against this backdrop, we take this opportunity to reflect on our progress and our ambitions for the future, acknowledging the advances in the pharmaceutical industry globally and in India, while reaffirming our commitment to improving access to quality medicines.

A significant step in this direction is the launch of generic Semaglutide injection in the form of vials making NATCO the first company to launch the most affordable GLP-1 in the market. By making advanced GLP-1 therapy more affordable, we are improving access and enabling better patient outcomes. We also launched Risdiplam injection (first generic) in India, which is used in the treatment for Spinal Muscular Atrophy (SMA) in paediatric and adult patients. By launching Risdiplam we have made the treatment more affordable and accessible for patients in India.

*On November 11, 2025, NATCO Pharma South Africa Proprietary Limited ("NPSA") acquired 34.88% of Adcock Ingram Holdings Proprietary Limited ("Adcock Ingram"). Pursuant to this action, Adcock Ingram got delisted. Before delisting, NATCO Pharma Limited and NATCO Pharma (Canada) Inc. already held 0.12% and 0.75% of Adcock Ingram respectively. On a consolidated basis, NATCO ultimately owned 35.75% of Adcock Ingram. Later on in July 2026, NPSA acquired an additional shareholding of 13.25% of Adcock Ingram resulting in ultimate ownership of shareholding of 49% by NATCO in Adcock Ingram on a consolidated basis.

Behind every breakthrough is the collective strength of our scientific talent, strategic vision and manufacturing excellence, working together to make specialty medicines more accessible. Beyond our core business, we continue to create impact at the grassroots level through initiatives that empower communities and improve lives.

As we venture into new frontiers, our commitment continues to shape our direction. Guided by operational excellence and an expanding global footprint, we are confident in our ability to create sustainable value.

This journey is anchored in our belief that **progress is driven by purpose.**

About the Report

Reporting Framework

The report has been prepared based on the International Framework as developed by IIRC (www.integratedreporting.org) and with reference to the Global Reporting Initiative (GRI) Standards, and should be read in conjunction with the financial statements included herein and the notes thereto. The presented financial and statutory data is in compliance with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws. The report is divided into six capitals with adoption of an integrated reporting framework as laid out by the International Integrated Reporting Council (IIRC), followed by Board report and financial statements.

Our Capitals

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

Reporting Scope, Boundaries and Period

The Integrated Report mainly covers information about the business activities of NATCO Pharma and our consolidated operations as applicable, and is framed in terms of the six capitals as defined by the IIRC. Unless mentioned otherwise, all six capitals have been fully addressed.

The report relates to the main reporting period of April 1, 2025 to March 31, 2026. There are also sections that provide information and insights of previous years and till present including that of our subsidiaries to give a comprehensive picture to stakeholders who are part of our journey including patients, employees, investors and other stakeholders.

Assurance

Third party assurance by DNV for Core indicators of BRSR

Stakeholder Feedback

We welcome and appreciate any constructive input and feedback from stakeholders with regard to the content of this report.

investors@natcopharma.co.in

ir@natcopharma.co.in

Forward Looking Statements

This report contains forward looking statements based on current expectations, assumptions, and anticipated developments. These statements are not historical facts and should not be considered as guarantees of future performance as they are subject to a range of assumptions, risks and uncertainties that may evolve over time. Forward looking statements speak only as of the date on which they are made and actual results may differ materially from those expressed or implied due to various influencing factors.

About Us

Expanding Access to Niche and Complex Medicines

We are a research-focused pharmaceutical Company with an integrated business strategy spanning development, manufacturing and marketing of Finished Dosage Formulations (FDFs), Active Pharmaceutical Ingredients (APIs) and Agrochemicals. Backed by 4+ decades of industry experience, we have evolved into a global enterprise with presence in more than 50 countries through 13 subsidiaries, step-down subsidiaries and an Associate.

Our operations are underpinned by best-in-class manufacturing and research facilities that meet evolving quality and compliance standards, enabling us to consistently address the expectations of our customers. Deep domain expertise, coupled with sustained investments in technology, has supported the steady expansion of our pharmaceutical business across global markets.

Sustainability remains central to our approach to strategic markets, operational excellence, guiding the development of a more responsible and efficient manufacturing ecosystem. This commitment is reflected in our focus on resource conservation, environmental protection and social responsibility.

Mission and Purpose

Making specialty medicines accessible to all

Values

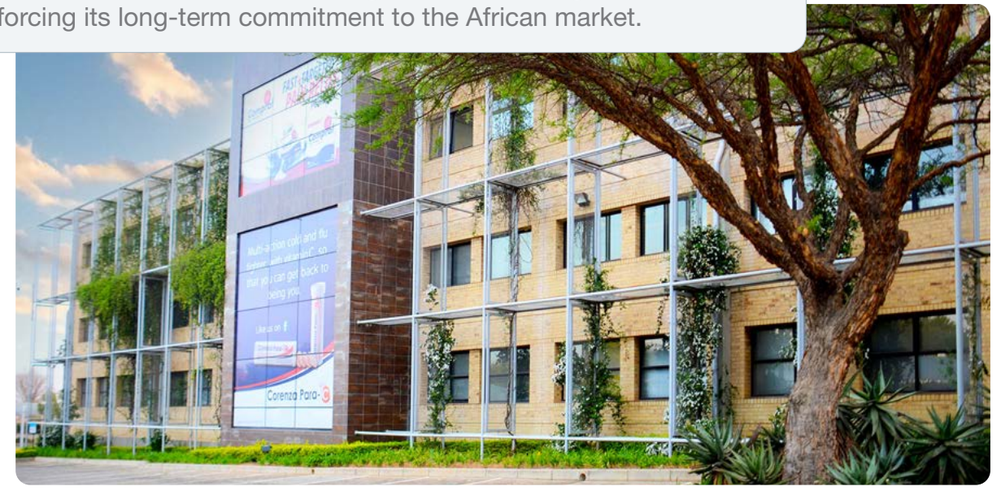
- Integrity
- Respect
- Openness
- Creative
- Collaborative
- Quality

Strategic Investment in Adcock Ingram Holdings Proprietary Limited

(earlier known as Adcock Ingram Holdings Limited)

Strengthening NATCO's International Growth Platform

FY26 marked a significant strategic milestone for NATCO with the acquisition of a 35.75%* stake in Adcock Ingram, the second-largest pharmaceutical company in South Africa**. The investment established a strong strategic foothold in the African pharmaceutical market and strengthened NATCO's international footprint. This strategic position was further deepened in the early part of FY27 with the acquisition of an additional 13.25% stake taking NATCO's holding to 49% and reinforcing its long-term commitment to the African market.



Adcock Ingram Holdings, Midrand headquarters

Headquartered in Johannesberg, South Africa, Adcock Ingram Holdings Proprietary Limited has a rich heritage dating back to 1890 with presence across the Prescription, Over-the-Counter (OTC), Hospital and Consumer Healthcare segments supported by a diversified portfolio of established brands and operates three manufacturing facilities in South Africa. Adcock Ingram also owns 49% of a joint venture in India with two manufacturing facilities located at Bangalore, India.

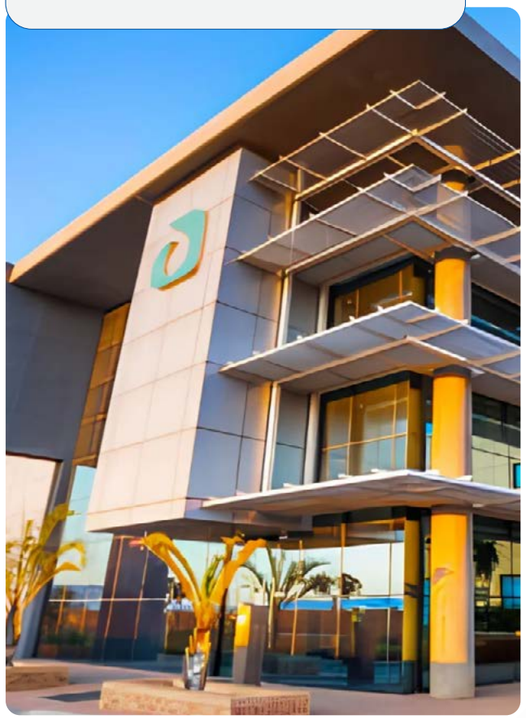
Acquired additional stake in Adcock Ingram Holdings in July 2026, taking the total shareholding in Adcock to 49%.

*includes existing investments

**in terms of private market share

In November 2025, NATCO Pharma South Africa Proprietary Limited (NPSA) completed the acquisition of a 34.88% stake in Adcock Ingram for a consideration of approximately ZAR 4.0 billion (about US$226 million). The transaction formed part of a scheme of arrangement through which Adcock Ingram was delisted from the Johannesburg Stock Exchange (JSE), transitioning the company into a privately held business with NATCO eventually holding 35.75% of Adcock Ingram on a consolidated basis. In July 2026, NPSA completed acquisition of an additional stake of 13.25% in Adcock Ingram for a consideration of ZAR 1.81 billion (about US$ 111 million). This resulted in NATCO ultimately holding 49% in Adcock Ingram on a consolidated basis.

- Amongst the largest liquids manufacturing facilities in the Southern Hemisphere
- South Africa (SAHPRA), P/ICS (EU), Malawi (PMRA), Zimbabwe, Zambia, Kenya (MCAZ, ZAMRA, PPB)
- Liquids capacity at 12 million litres p.a.
- 400,000 kilograms of effervescent granules and powders



Clayville manufacturing facility

- Largest producer of IV fluids, blood bags in South Africa. Only manufacturer of medical grade sheeting in South Africa
- South Africa (SAHPRA), and P/ICS (EU), Malawi (PMRA)
- Larger volume parenterals at 33 million filled units p.a. and small volume parenterals at 35 million filled units p.a.
- Blood collection bags at 1 million p.a.

Aeroton manufacturing facility

01 Strategic Rationale

NATCO has a strategic focus on expanding presence in Emerging Markets and has already established front-ends in USA, Canada, Brazil, Philippines, Singapore, Australia, Indonesia and actively operating in MENA, South East Asia and Latin America.

South Africa is one of the largest emerging markets globally and a gateway to African Continent with a strong regulatory framework.

Adcock Ingram is the 2nd largest pharmaceutical company in South Africa with an attractive portfolio of well-recognized brands with a strong market position.

Adcock Ingram is the only pharmaceutical company in South Africa with coverage of all market segments - prescription, OTC, consumer and critical care with an established extensive commercial and distribution capability.

Following the acquisition, NATCO and Adcock Ingram commenced several strategic initiatives aimed at creating long-term stakeholder value. These include leveraging NATCO's product development pipeline to strengthen Adcock Ingram's future product portfolio, progressing multiple product registrations in South Africa, enhancing manufacturing quality systems and operational efficiencies through NATCO's technical expertise. Adcock Ingram has also embarked on a significant modernization programme at its Aeroton sterile manufacturing facility to improve efficiency, capacity and quality standards.

In July 2026, NPSA completed acquisition of an additional stake of 13.25% in Adcock Ingram*. The additional acquisition involved a total investment of approximately ZAR 1.8 billion (about US$ 111 million). This has led to NATCO ultimately holding 49% in Adcock Ingram on a consolidated basis that will result in proprtionate consolidation of 49% of profit after tax of Adcock Ingram.

The increased shareholding reinforces NATCO's commitment to the African healthcare market and provides a strategic platform for expanding its product portfolio, strengthening market access and creating long-term value for shareholders through enhanced participation in one of the continent's leading pharmaceutical businesses.

Financial Highlights:

Adcock Ingram has demonstrated decent financial performance reporting revenue of US$592 million revenue with a PAT of US$ 57 million during financial year ending June 2026, as compared to US$ 550 million during financial year ending June 2025 with a PAT of US$ 48 million. The top ten products contribute approximately one-third of total revenue.

*The transaction consummated after the reporting period of FY 26

Top Brands:

01 Panado
02 Epimax
03 Allergex
04 Adco mayogel
05 Bioplus
06 Citro-Soda
07 Synaleve capsules
08 Plush
09 Broncleer cough syrup

Milestones

Tracing the Arc of Our Evolution

Our journey reflects a sustained commitment to innovation, accessibility and responsibility, as we work towards building a healthier and more inclusive future. As we look ahead, we recognise the significant progress in healthcare globally and in India, while reaffirming our focus on improving access to quality medicine.

Since its incorporation in 1981, NATCO Pharma has evolved from a single-unit operation with a small team into a international pharmaceutical Company with a team of 5200+ globally. Today, with multiple manufacturing facilities, strong research capabilities and an expanding international presence, the organisation continues to progress with a clear and consistent purpose.

1981
Incorporated NATCO Pharma Limited in Hyderabad, Telangana

1983
Commenced operations at the manufacturing facility at Kothur, Telangana

1986
Commenced operations at the manufacturing facility at Nagarjuna Sagar, Telangana

1993
Commenced Chemical division at Mekaguda, Telangana

1997
Established NATCO Research Centre (NRC) at Sanathnagar, Hyderabad, Telangana

2003
The oncology division was launched with the flagship brand VEENAT (generic Imatinib Mesylate) for treating chronic myelogenous leukaemia

2006
The first finished dosage facility was set up at Dehradun, Uttarakhand

2007
NATCO launched its first ever ANDA in the US market

2008
The first Paragraph IV filing was filed in the USA market

2010
Commenced the Organics facility for Cytotoxic API at Chennai, Tamil Nadu

2011
Established its subsidiary Natcofarma do Brasil LTDA in Brazil

2012
Established NATCO Pharma Asia Pte Ltd in Singapore

2013
NATCO Pharma Canada Inc. was established to facilitate sales and distribution in Canada

2014
Established NATCO Pharma Australia Pty Ltd for sales and distribution in Australia

2015
Launched generic Sofosbuvir for Hepatitis C in India and Nepal

Commenced operations at manufacturing facility at Guwahati, Assam

2016
The first generic version of Oseltamivir Phosphate capsules was launched in US

2017
Launched Glatiramer Acetate injection and complex drug product Liposomal Doxorubicin in the USA

Started the Cardiology and Diabetology division with the launch of Dabigatran in India

2018
Launched its first generic version of oral tablets Denopsy (Teriflunomide) for multiple sclerosis in India

Introduced generic Posaconazole injection, made available for first time in India

2019
NATCO Crop Health Sciences division was launched

Commercial manufacturing began at the Visakhapatnam, Andhra Pradesh formulation facility

2020
Visakhapatnam, Andhra Pradesh formulation facility gets US FDA approval

2021
NATCO acquired Dash Pharmaceuticals LLC, now renamed as NATCO Pharma USA LLC

2022
NATCO Crop Health Sciences division launched Chlorantraniliprole (CTPR) agro products in India

NATCO launched the first generic version of Revlimid in the USA market

2023
NATCO set up its subsidiaries in Indonesia, United Kingdom and Colombia to boost international business

Established 'NATCO Reach' to expand the coverage of Cardiology and Diabetology products in India

2024
Invested US$ 1 million in Cellogen Therapeutics Pvt Ltd. Focuses on Cell and Gene Therapy solutions

Invested US$ 8 million in eGenesis, a biotechnology company focused on xenotransplantation

2025
Invested US$ 1 million in Stero Therapeutics, developing novel therapeutics for rare diseases with the strategic intent to further develop the therapeutics for larger, more common diseases.

Further invested US$ 1 million in Cellogen Therapeutics Pvt Ltd.

Incorporated subsidiary NATCO Pharma South Africa Proprietary Limited in South Africa

Acquired 34.88% stake in Adcock Ingram Limited, leading healthcare player in South Africa at a valuation of US$ 618 Million, at US$ 4.27 per share

2026
Launch of Semaglutide vials in India at the most affordable price

Launch of Risdiplam in India (first generic) for the treatment of SMA

Increased the holding from 35.75% to 49% in Adcock Ingram Holdings, South Africa*

Announced demerger of NATCO Crop Health Sciences

*Acquired in July 2026

Geographical Presence

From Local Roots to Global Reach

Formulations

1 Kothur

2 Vishakhapatnam

3 Nagarjuna Sagar

4 Dehradun

5 Guwahati

API

1 Mekaguda

2 Chennai

Crop Health Sciences (Athivaram)

Formulations

Technical

Corporate Headquarters and R&D Centre of Excellence

Hyderabad

The map shown is for illustrative purposes only and is not to scale.

Associate, Subsidiaries and Step-down Subsidiaries

Adcock Ingram Holdings Proprietary Limited (Associate)
NATCO Pharma Inc.
NATCO Pharma (Canada) Inc.
NATCO Pharma USA LLC (step-down subsidiary)
NATCO Pharma Colombia S.A.S
NATCOFarma DO Brasil LTDA. (step-down subsidiary)
NATCO Pharma UK Ltd.
Time Cap Overseas Limited
NATCO Pharma Asia Pte Ltd
NATCO Lifesciences Philippines Inc.
PT. NATCO Lotus Farma
NATCO Pharma South Africa Proprietary Limited
NATCO Pharma Australia Pte Ltd
NATCO Crop Health Sciences Limited

Chairman and CEO's Message

Global Ambitions, Built on a Strong Foundation

V.C. Nannapaneni
Chairman and Managing Director

"A company's true value can be measured by the lives it has touched. I am delighted by the efforts our team has put in over years. Giving back to community , NATCO Trust by its initiatives has over years worked on improving the early education, access to health and we remain committed in the inclusive development."

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer

"This phase is part of our long-term strategy to build a diversified, globally distributed pharmaceutical company whose earnings are not dependent on any single product or market. We remain committed to disciplined capital allocation and continue to expand our platform, including through acquisitions that can strengthen our business in the years ahead."

To My fellow Shareholders,

NATCO was founded in 1981 with a simple but ambitious mission to provide and increase accessibility of specialty medicines in India. We pioneered a lot of first time generic medicine launches in India thereby improving accessibility and affordability to the therapy. While the world and industry have changed significantly since then, our core strategy has remained consistent over time where we continue to build a niche and complex pipeline of products. As a company, we have grown multi-fold over decades, from an INR 4,613 million total income in FY2010 to INR 43,759 million in FY26. Our Profit After Tax (After share of profit of Associate) in FY2010 was at INR 487 million and in FY2026 it was INR 14,185 million. Today we are a team of 5,200+ globally, working towards delivering measurable results, and adding value to the shareholders.

Adcock Ingram Holdings Proprietary Limited, an Associate company of NATCO incorporated in South Africa reported US$ 592 million revenue with a PAT of US$ 57 million during financial year ending June 2026.

FY26 was a year that tested the resilience of the global pharmaceutical industry as much as it tested its ability to sustain growth. Geopolitical disruptions in the Middle East and tariff-related uncertainty in the U.S. added to the challenges. Overall, it was a challenging year of consolidation and reset for us, as we transitioned from a once-in-a-lifetime opportunity that had placed NATCO on a strong footing and further strengthened our balance sheet.

Navigating Cycles with Prudence

We closed the year with a healthy balance sheet, which gives us the flexibility to pursue growth. Formulation exports, our largest revenue contributor, will moderate in line with the Lenalidomide-led decline, while domestic formulations see a strong growth.

Building a More Diversified Growth Engine

Strategically, we are strengthening our base business to reduce our reliance on exclusivity-driven earnings. Two levers define this shift. First, geographic diversification: our earnings base today draws from five markets – India, the U.S., Brazil, Canada and, with this year's acquisition, South Africa – compared to our earlier dependence on the U.S. alone. This year, we increased our holding in Indonesia, making it a wholly owned subsidiary. Second, portfolio diversification: our long-term ambition is for base-business revenue to contribute a larger share of profit, with first-to-file opportunities contributing to revenues rather than driving earnings. This year's most significant step in this direction was the acquisition of a 35.75% (including existing stake) stake in Adcock Ingram, the second largest pharmaceutical company in South Africa, that got subsequently increased to 49%. With this acquisition, the Group's combined revenue crosses $1 billion. It also gives us an established commercial platform in a market of scale, and we expect its contribution to build into steady, accretive earnings in the years to come.

Building Momentum

The year saw several first-to-market and strategic milestones, like, the launch of generic Semaglutide multi-dose vials in India at an affordable price point, positioning us as a first mover in this category, then the launch of Risdiplam for Spinal Muscular Atrophy, expanding access to a high-cost rare-disease therapy, and in the U.S., the launch of Pomalidomide, Everolimus (1mg) and Bosentan. The launches in domestic business and expansion into new geographies will strengthen the base business. With an intent to sharpen strategic focus for the pharmaceutical business. With the focus on Agro chemical business it is expected to grow in revenues as well as profitability. We are demerging the crop health sciences business. The business thus will have an independent growth trajectory and will unlock value for the shareholders.

A Business Built on Balance and Strong Foundation

Export formulations remained our largest segment but saw the anticipated decline from the loss of Lenalidomide exclusivity. Domestic formulations grew steadily, led by oncology, cardiology, diabetology and our specialty divisions. Crop Health Sciences delivered growth, rising to INR 1,382 million in revenue from INR 606 million, aided by new product launches across categories

and expanding channel penetration, validating the case for its independent path forward. Our API business continued to provide backward integration and captive supply stability. In this year we successfully cleared USFDA audits at our API facility in Chennai and Formulations facility at Kothur. This shows our commitment to uphold the highest good manufacturing practices and constantly progress on improving them.

Scientific Progress, Strategic Value

Our pipeline remains the foundation of future earnings. We filed and progressed multiple ANDAs in the U.S. We have 28 para IV filings in the U.S. Our investments in eGenesis, Cellogen Therapeutics and Stero Therapeutics. eGenesis's xenotransplantation programme achieved a significant scientific milestone this year, with genetically modified pig kidneys sustaining patients for extended periods— early but meaningful validation of a long-term, high-risk, high-reward bet. Domestically, our NRC-2694 oncology molecule continues in its progress.

Our Commitment Beyond Our Financial Metrics

Governance and sustainability remained integral to how we operated this year. Our materiality assessment framework, refreshed to reflect evolving stakeholder expectations, continues to guide our focus across environmental, social and governance priorities, with third-party assurance for our core BRSR indicators. On the ground, our Chennai facility received the GreenCo-Gold Rating from CII, we were recognised at the South India CSR Summit for our impact in education and healthcare, and the company received the Best Management Award from the Telangana Government. A company's true value can be measured by the lives it has touched. I am delighted by the efforts our team has put in over years. Giving back to community , NATCO Trust by its initiatives has over years worked on improving the early education, access to health and we remain committed in the inclusive development. We have started construction of two schools in Kandukur and Hakimpet to develop the schooling infrastructure. Our NATCO Mobile Health Clinic- Sanjeevini program enabling basic healthcare services and health screenings has seen 53000+ consultations in Nalgonda, Rangareddy districts of Telangana. We have collaborated with CSF, Rocket Learning, NSF and CEGIS to strengthen the learning outcomes for school children. 8,53,745 students are being benefited with CSF initiative. NATCO cancer centre at Government General Hospital, Guntur has seen 21000+ consultations and 7000+ treatments in the FY 2025-26. As part of our early childhood education intervention the number of anganwadi's increased to 131 from 31. The two eye care hospitals at Kothur, Telangana and Ponnur, Andhra Pradesh have seen 44,000+ consultations and 4000+ surgeries in the year.

The Road Ahead

We expect the FY27 to be a base year and growing double digit in the coming years. We expect 'double-digit earnings growth over the next two to three years', driven by the continued growth of our international operations in Brazil, Canada, Emerging Markets including South Africa. 'These businesses are adding to the strength of our platform and have significant potential to scale further.' This is a phase within a longer-term strategy, focused on building a diversified, globally distributed pharmaceutical company whose earnings do not rest on any single event or market. We remain committed to disciplined capital allocation and continue to evaluate further acquisitions that can strengthen this platform in the years ahead.

We thank our shareholders for their continued confidence, enduring trust and patience through a cyclical phase, our employees across geographies for their commitment and resilience, and our patients, doctors, partners regulators and financial institutions for the trust they continue to place in NATCO.

Warm Regards,

V.C. Nannapaneni
Chairman and Managing Director

And

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer

Key Performance Indicators

The Metrics of Our Momentum

Financial

₹43,759 Mn
Revenue

₹17,341 Mn
EBITDA

₹14,185 Mn*
PAT

16.3%
ROCE

R&D

₹ 4,086 Mn
R&D Investment

116
Patents Approved

329
International patents filed

299
Patents Filed

Operational

50
Countries

49
Active DMFs

40+
Products under International Portfolio

100+
Products under Domestic Portfolio

ESG

26.31%
Share of Renewables

47.10%
Water Recycled

Zero
Complaints on data privacy and security

11%
Board Diversity

*After share of profit of Associate

Business Strategy

Clarity. Focus. Execution.

Balancing growth across base business by entering various markets across the globe, niche products, and complex products requires a disciplined portfolio approach. The strategy is to expand core revenue streams while investing in high value niche opportunities and leveraging commodities for volume, market presence.

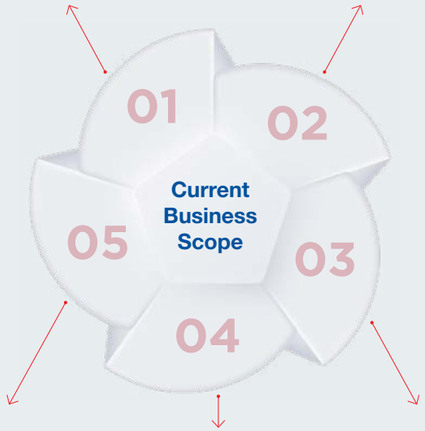
Drive sustainable revenue and profitability growth by strengthening the base business, entering new markets, accelerating expansion in high-value niche products, and maximizing opportunities across segments. Our focus will be on increasing market share, and enhancing operational efficiency. Niche products offer differentiation, higher margins, and reduced competitive pressure. These products will be positioned as strategic growth drivers. Commodity products continue to provide volume, customer access, and market visibility. The strategy is to compete efficiently while protecting margins.

Complex Generics

We focus on developing complex generics and niche, high-barrier products which are supported by our strong R&D capabilities and a strategic approach to filings. This enables a differentiated positioning across key markets.

Therapeutic Portfolio Expansion

We continue to strengthen our presence across oncology, cardiology, diabetology and other speciality segments, building a diversified and sustainable product portfolio aligned with evolving healthcare needs.



Vertically Integrated Operations

Our integrated model across APIs, formulations and CHS enhances cost efficiency, ensures supply chain reliability and strengthens overall operational capabilities.

Global Market Presence

With a presence in 50+ countries, we are expanding our footprint across both regulated and emerging markets, supported by a strong international formulations business and subsidiary-led growth.

Regulatory and Filing Strength

We leverage strong capabilities in regulatory filings and patent strategies, including Para IV filings. Our primary focus remains on early market entry opportunities and high quality ANDA filings.

Future Avenues

We are progressively diversifying into areas of complex and specialised therapies to build long-term growth. Through focused investments and strategic alliances, we are strengthening capabilities in next-generation therapies and emerging treatment modalities.

Emerging Focus Areas

Advancing
investments in cutting-edge therapies, such as cell and gene therapy as well as regenerative medicine

Enhancing
innovation capabilities through strategic collaborations and targeted investments

Targeting
therapies that address complex and unmet medical needs

Business Model

The Engine of Our Business

Input

Financial Capital

₹ 1,55,306 Mn Market Capitalisation

₹ 92,211 Mn Net Worth

Manufactured Capital

5 FDF Manufacturing Facilities

2 API Manufacturing facilities

2 Crop Health Sciences units

Intellectual Capital

₹ 4,086 Mn Spent on R&D

2 R&D Facilities

Human Capital

5,200+ Global work force

541 Women in workforce

10% Diversity in workforce

Social and Relationship Capital

₹ 270.5 Mn CSR Spend

24 CSR Initiatives

2,748 Supply Partners Associated

Natural Capital

79,292.64GJ Electricity Consumption

3,38,749 KL Water Consumption

7,980.13 MT Waste Generated

Ecosystem

Mission

Values

- Integrity
- Respect
- Openness
- Collaborative
- Creative
- Quality

Business Model

We operate a vertically integrated pharmaceutical business model spanning:

- APIs
- Domestic Formulations
- International Formulations
- Crop Health Sciences

Value Creation Levers

Complex Generics

Global Expansion

R&D and Innovation

Operational Efficiency

Output

Financial Capital

₹ 43,759 Mn Revenue

₹ 17,341Mn EBITDA

₹ 14,185 Mn PAT*

Manufactured Capital

Diverse Product Formats Capsules, injections, tablets

Advanced Manufacturing Complex generics and specialty products

Intellectual Capital

329 Patents Filed (Global)

217 Patents approved (Global)

299 Patents Filed (Domestic)

116 Patents approved (Domestic)

Human Capital

100% Retention rate

68 Average Training Hours

Social and Relationship Capital

13,506 Mobile Health Clinic services beneficiaries

Across 25 countries Total Supplier Base

Natural Capital

15,730.6 MTCO2 eq Emissions Avoided

26.31% Share of Renewable Energy

* After share of profit of associate

Stakeholder's Impacted

- Investors and Shareholders
- Government and Regulatory
- Suppliers/ Vendors
- Employees and Workers
- Patients
- Farmers
- Local Communities
- Doctors
- Dealers and Distributors
- Trade Unions
- Media
- Government
- Financial Institutions

SDGs Impacted

Materiality Assessment

Identifying Our Key Priorities

Our materiality assessment process prioritizes business imperatives and address stakeholder concerns affecting the business. Through internal evaluations, stakeholder engagement, we identified key sustainability matters that have the potential to influence business performance while also impacting our stakeholders, society, and the environment. These insights inform our strategic planning, risk management, and ESG reporting initiatives.

The outcomes of the assessment provide a foundation for informed decision-making and strategic planning across the organization. By focusing on the material ESG topics, we aim to strengthen our ability to manage risks, capitalize on emerging opportunities, and enhance stakeholder relationships. This approach enables us to align our business objectives with sustainability initiatives.

Materiality Assessment Framework

STEP 01

Stakeholder Engagement

Engaging with stakeholders from diverse backgrounds to assess the impact on business and include their perspective if it supports the long term sustainability in the operations of the organisation.

STEP 02

Issue Identification

Undertake a comprehensive research, strategic benchmarking to analyze various ESG drivers to identify critical issues with prioritizing business interests and balancing stakeholder needs.

STEP 03

Prioritisation

Assess and prioritise identified issues by measuring their strategic relevance to NATCO's long term value creation and stakeholders interest.

STEP 04

Validation

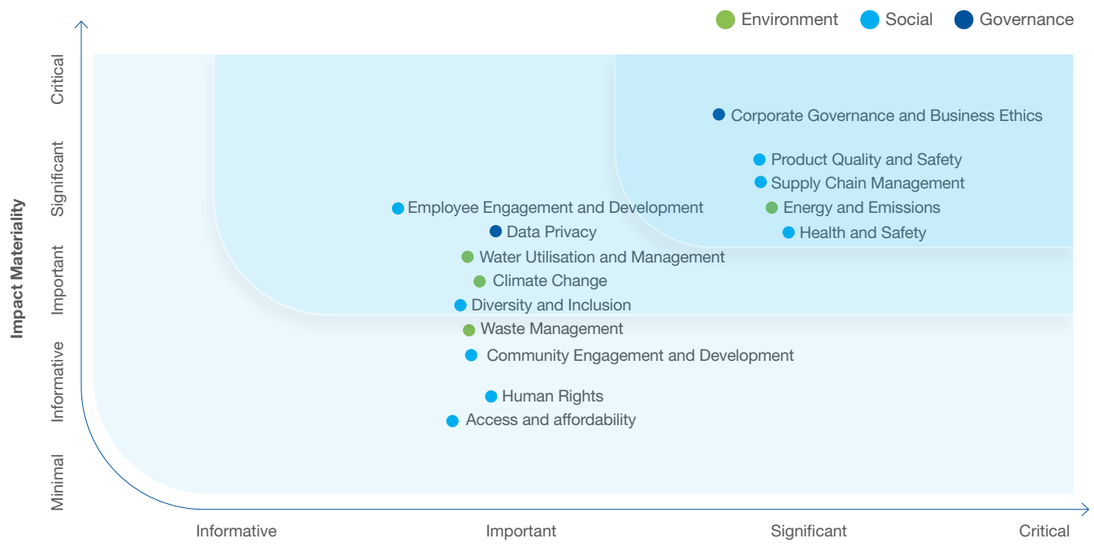
Validate the prioritised issues through internal and external evaluations to ensure their relevance and alignment with NATCO's overarching strategic vision

STEP 05

Integration

Embed material ESG factors into core business strategy and operations, aligning seamlessly with internal policies and industry benchmarks to mitigate risks and amplify sustainable business outcomes

Materiality Assessment Framework



Impact of Material Topics

Material Topic	Risk/Opportunity	Business Impact	Alignment with SDGs
Energy and Emissions	Opportunity	Transition to renewable energy reduces costs and emissions while supporting long term carbon goals	7, 13
Water Utilisation and Management	Risk, Opportunity	Efficient water use and recycling reduce operational risks and ensure regulatory compliance	6
Climate Change	Risk, Opportunity	Changes in environmental regulations, market expectations may impact our operational costs and compliance requirements	7, 13
Waste Management	Risk	Inefficient waste handling may lead to regulatory penalties and environment impact	13
Product Quality and Safety	Risk, Opportunity	Strong quality systems build trust and growth while failures can impact patient health, Company's reputation and revenue	3, 12
Supply Chain Management	Risk, Opportunity	Robust supply chain ensures continuity while disruptions may affect operations	12
Health and Safety	Risk, Opportunity	Safe workplace improves productivity while incidents disrupt operations and impact well-being of employees	3
Employee Engagement and Development	Opportunity	Employee development leads to a holistic growth	4
Diversity and Inclusion	Opportunity	Inclusive culture improves engagement, performance and organisational strength	5
Community Engagement and Development	Opportunity	Community initiatives strengthen relationships and enhance company reputation	4
Human Rights	Risk	Violations may lead to reputational damage and operational risk	10
Access and Affordability	Opportunity	Expanding access to medicines improves health outcomes and market reach	3, 10
Corporate Governance and Business Ethics	Risk, Opportunity	Strong governance builds trust and long term sustainability while non-compliance poses risk	8
Data Privacy	Risk	Data breaches may lead to regulatory penalties and reputational & financial loss	9

Risk Opportunity

Risk Opportunity

Overview of the entity's material responsible business conduct issues

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications.

S No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Capital Linkages	SDG Linkages
1	Energy and emissions	Opportunity	We have established targets to reduce GHG emissions across our operations, supported by key initiatives such as procurement of renewable electricity, deployment of captive solar energy systems and the utilization of briquette-fired boilers to achieve these reductions.	We aim to increase our percentage of renewable energy share to 35% by the end of 2035. Along with that, our goal is to become carbon neutral by 2050.	**Positive:** Key inherent benefits include optimization of overall energy costs and a reduction in emissions.	Natural Capital	
2	Water management	Risk and Opportunity	**Risk:** Water is essential for pharmaceutical manufacturing and is a main input in the production, formulation and processing of APIs, intermediates and finished products. It is also extensively utilized in manufacturing and cleaning operations. Accordingly, effective water management is essential to our operational efficiency and sustainability. **Opportunity:** We are committed to responsible water stewardship across all our facilities. We are addressing the risks associated with water scarcity, pollution and regulatory compliance while contributing to long term sustainability of its operations and communities we serve through continuous monitoring and optimization of water consumption, wastewater treatment and recycling, rooftop rainwater collection and reuse, rainwater harvesting, reuse and recharge systems at our facilities.	We have recycled 47.10% of water in FY 2025-26 at our facilities. Our key initiatives in water stewardship include adoption of water saving technologies, ensuring compliance with regulations. Monitoring water consumption, treatment and recycling of wastewater as well as rainwater harvesting.	**Negative:** Costs associated with water scarcity, pollution, and regulatory non-compliance, including potential fines and penalties. **Positive:** It reflects a strong financial outlook, supported by our efforts to reduce costs and optimize water usage.	Natural Capital	
3	Climate change	Risk and Opportunity	**Risk:** Extreme weather events, rising sea levels, and regulatory changes associated with climate change pose risks to operations, supply chains, and infrastructure. **Opportunity:** It further enables opportunities in product innovation, energy efficiency improvements, and wider adoption of renewable energy.	Our goal is to reach 35% renewable energy in our energy mix by 2035 and carbon neutrality by 2050. In FY 2025-26, we achieved 26.31% of RE in our energy mix.	**Negative:** Financial impacts of climate-related damages and regulatory compliance obligations. **Positive:** Managing climate-related risks to minimize associated financial losses.	Natural Capital	
4	Waste management	Risk	Non-compliance in waste management and environmental standards can lead to environmental harm, legal liabilities, financial penalties, and reputational damage. We are committed to responsible waste management practices through waste minimization, segregation, reuse, recycle wherever practicable and disposing the wastes to the authorized recyclers/re-processors	We ensure our production facilities operate in line with established standards by adhering to best practices. We are committed to minimizing waste generation, across operations, while promoting recycling and reuse and reducing landfill dependency.	**Negative:** Costs incurred from waste disposal, regulatory penalties, and environmental remediation activities.	Natural Capital	
5	Health and safety	Risk and Opportunity	**Risk:** Health and safety incidents may lead to production disruptions and negatively affect the well-being of employees and workers. **Opportunity:** Enhancing Competitive Advantage through a "Culture of Care." By pivoting from regulatory compliance to a holistic wellbeing strategy—encompassing both physical and mental health. Proactive investments in health and safety directly reduce employee turnover, lower recruitment costs, and boost overall workforce engagement and productivity.	We have implemented a robust EHS policy demonstrating our commitment to employee health and safety across all operations. All our manufacturing and R & D facility are certified under ISO 14001:2015 EMS and ISO 45001:2018 OHS management systems.	**Negative:** Costs arising from workplace incidents, such as medical expenses, legal charges, and regulatory penalties, as well as resulting in loss of productivity. **Positive:** Reduced downtime through efficient systems and processes in place.	Human Capital	
6	Employee engagement and development	Opportunity	Employees with strong skills and training demonstrate higher efficiency, creativity, and commitment. Investing in their development fosters talent retention and improves organizational performance.	Facilitating continuous training and development, encouraging transparent communication, acknowledging and rewarding accomplishments, and supporting a healthy work-life balance	**Positive:** Increased employee productivity drives higher efficiency and output, strengthens talent retention, fosters innovation, and supports a positive workplace culture.	Human Capital	

S No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Capital Linkages	SDG Linkages
7	Community engagement and development	Opportunity	Active engagement with local communities and investment in community development initiatives help build strong relationships, strengthen Company reputation, and demonstrate corporate social responsibility.	Engaging in community outreach programs, supporting local initiatives, valuing community feedback, and proactively addressing local needs and concerns.	**Positive:** Beneficial societal impact, better community relations, and improved brand image.	Social & Relationship Capital	
8	Corporate Governance and Business Ethics	Risk and Opportunity	**Risk:** Failure to uphold strong corporate governance and business ethics standards may lead to regulatory and reputational issues. **Opportunity:** Corporate governance and business ethics are not limited to ethical conduct; they also drive business value by strengthening trust, attracting capital, mitigating risks, and enabling sustainable long-term growth. Our focus on excellence promotes an ethical culture that enhances stakeholder trust and loyalty.	We maintain a robust governance framework supported by a Code of Conduct for regulating insider trading, a Code of Fair Disclosure for Unpublished Price Sensitive Information, and a Code of Conduct applicable to Directors, Senior Management Personnel, and Employees. These policies help ensure ethical conduct, transparency, accountability, and regulatory compliance across the organization.	**Negative:** Non-compliance with relevant regulatory standards could negatively impact the Company's reputation and compromise its long-term operational continuity. **Positive:** Implementing strong governance policies and procedures contributes meaningfully to the Company's long-term business sustainability.	Intellectual Capital	
9	Product Quality and Safety	Risk and Opportunity	**Risk:** Compromising pharmaceutical product quality can directly impact patient health and well-being and may also lead to non-adherence to GMP standards, including Good Laboratory, Manufacturing, and Clinical Practices. **Opportunity:** We believe superior product quality is fundamental to customer trust. We maintain stringent standards of quality, safety, and efficacy, ensuring full regulatory compliance and enhanced customer satisfaction. Continuous investment in quality assurance processes helps mitigate risks of recalls and non-compliance.	We maintain strict adherence to GMP by ensuring detailed testing of inputs and outputs, validated manufacturing processes, and periodic facility inspections. In addition, we enforce strong quality assurance controls and a well-established pharmacovigilance system to uphold safety and compliance standards.	**Negative:** Decrease in market share, financial deterioration, and discontinuation of products. **Positive:** Maintaining high product quality strengthens customer trust, driving business growth, and increased revenue.	Intellectual Capital	
10	Diversity and inclusion	Opportunity	A diverse and inclusive work environment fosters creativity, innovation, and employee engagement. Embracing diversity enhances decision-making and cultivates a culture of inclusion and belonging.	Driving diversity and inclusion initiatives, promoting equality, providing training on inclusive practices, and fostering a workplace culture built on respect and acceptance	**Positive:** Enhanced employee morale and retention, boosted productivity, and a stronger brand reputation as an inclusive employer.	Human Capital	
11	Supply chain management	Risk and Opportunity	**Risk:** Despite these efforts, supply chain disruptions may still occur and affect our operations. **Opportunity:** We manage our supply chain proactively to optimize resource allocation, improve efficiency, and ensure a steady supply flow.	Increasing visibility across the supply chain, widening supplier networks, assessing risks, and implementing contingency planning.	**Negative:** Disruption in production can cause revenue loss and delays in fulfilling delivery timelines. **Positive:** An effective supply chain minimizes disruptions, leading to improved efficiency and overall performance.	Social & Relationship Capital	
12	Data privacy	Risk	**Risk:** Risks related to the loss of trade secrets, unintended disclosure of sensitive information, and cyberattacks from external sources.	We enforce robust data security protocols, comply with applicable privacy regulations, encrypt sensitive information, and train employees on data protection practices. Advanced firewalls, up-to-date antivirus and anti-malware solutions, and other security measures are deployed to protect data from internal and external threats.	**Negative:** Economic losses linked to data breaches.	Intellectual Capital	
13	Human rights	Risk	Human rights issues in operations or supply chains may result in legal action, reputational impact, and reduced customer trust.	Implementing human rights due diligence, transparent redressal, grievance mechanism and addressing human rights issues.	**Negative:** Potential legal liabilities, regulatory penalties, employee compensation claims, increased employee turnover and recruitment costs, productivity losses due to workforce dissatisfaction, and reputational damage impacting business performance and stakeholder confidence.	Human Capital	
14	Access and affordability	Opportunity	Ensuring access to healthcare enhances patient outcomes, supports public health priorities, and fosters overall community well-being.	Implementing access programs, adopting equitable pricing strategies, and building partnerships to enhance the availability of medicines	**Positive:** Increased market presence, improved brand credibility, positive social impact, and higher customer retention.	Social & Relationship Capital	

Stakeholder Engagement

People That Support Us

We are committed to driving excellence through meaningful and sustained engagement with a diverse set of stakeholders. This approach connects business priorities with societal expectations, ensuring that decisions are informed by the perspectives of those most impacted. As a core pillar of our ESG framework, this process reinforces transparency, accountability and sustainable growth. It enables us to anticipate risks, identify emerging concerns early and respond with agility, while strengthening trust and long-term relationships.

Stakeholder Engagement Process

STEP 01

Stakeholder Identification

This step involves identifying individuals or groups who influence or affected by our sustainability efforts. This clarity enables targeted interaction and alignment with their expectations

STEP 02

Stakeholder Interest Prioritisation

We evaluate the interests and influence of each group to prioritise interactions based on their relevance to key sustainability issues, ensuring a focused approach

STEP 03

Stakeholder Engagement

NATCO selects appropriate and effective engagement methods, implement the strategy and gather feedback from stakeholders on relevant sustainability matters to inform decision-making

STEP 04

Feedback Analysis

The feedback received is analysed to identify key sustainability concerns and assess the significance of each issue, taking into account stakeholder perspectives as well as its potential impact on the organisation

STEP 05

Communicating Outcomes

We communicate outcomes transparently, outlining how inputs have been considered and addressed, thereby reinforcing accountability and building trust

Key Stakeholder Groups

Stakeholder Group	External Stakeholders									Internal Stakeholder	
	Investors and Shareholders	Government and Regulatory Bodies	Suppliers	Patients	Farmers	Dealers and Distributors	Local Communities	Doctors	Media	Trade Unions	Employees and Workers
Strategic Importance	Provide financial capital and governance oversight Ensure long-term sustainability and transparency	Enable a compliant and stable operating environment through regulatory framework and policy guidance	Ensure continuity of raw materials and operational resilience across value chain	Core beneficiaries of healthcare solutions therefore they are central to value chain and organisational purpose	Key stakeholder in CHS value chain ensuring availability of quality input	Critical link in ensuring product availability and last mile accessibility across markets	Integral to social license to operate with focus on inclusive growth and community development	Bridging innovation and patient care through the appropriate use of therapies	Facilitates transparent communication and patient awareness of healthcare initiatives	Plays critical role in safeguarding worker's rights, maintaining industrial harmony and supporting responsible business	Core drivers of operations, innovation and long term value creation across organisation
Stakeholder's Expectations	Transparent disclosures, consistent financial performance and strong governance practices	Full compliance with regulations, adherence to legal framework and ethical conduct	Fair business practices, timely payments and long term partnerships	Access to safe effective and affordable medicines with timely support	Reliable products and technical guidance	Efficient supply chain, product availability and business support	Inclusive development, healthcare access and social upliftment	Product awareness and continuous engagement	Timely, accurate and transparent communication	Fair wages, safe working conditions, transparent grievance redressal and protection of worker's rights	Career growth, continuous learning opportunities, safe and inclusive workplace, well-being support and fair performance management
Mode of Engagement	Annual General Meeting (AGM) Annual Report Investor Conferences Quarterly Investor Calls Investor/Analyst Meet Company Website Emails Announcements	Official Communications Statutory Publications Audits Mandatory Submissions Facility Visits	Meetings Visits Communication Media (Emails, Calls) Audits	NATREACH Patient Assistance Programme (PAP) Pharmacovigilance	Field Meetings Media Advertisements Product Demonstrations Social Media	Meetings Communication Media (Emails, Calls)	CSR Initiatives Interaction through NATCO trust team Personal Interactions	Meetings Doctor Visits Patient Education through Doctors Public Awareness through Doctors Website	Press releases Website	Updating New Policies, Regulations, Benefits or Addressing Grievances	Leadership Message and Company Activities Via Intranet Portal Learning and Development Programmes Functional and Cross Functional Committees Personal and Group Interactions (Safety Meetings, Cultural Events) Performance Management System
Value Delivered	Improved returns on investment Trust in ethical and transparent business practices	Full regulatory compliance Responsible and ethical operations	Timely payments and business continuity Strengthened partnerships Opportunities for mutual growth	Access to high quality medicines Improved health outcomes and wellbeing Timely medical assistance through programmes like NATREACH	Growth and economic Stability Reliable market access and support Knowledge-sharing for improved practices	Strong distribution partnerships Business expansion and growth opportunities	Socio-economic upliftment Skill development and job creation	Access to effective and timely treatments for patients Continuous support and medical information Reinforced trust in NATCO products	Timely and transparent updates Access to accurate information on company developments	Equitable work environment and fair wages Protection of workers' rights	Career advancement and upskilling Safe, inclusive and engaging work culture Well-being support Job satisfaction and inclusive culture

Risk Management

The Discipline of Preparedness

The risks inherent in the pharmaceutical industry carry significant consequences, making effective risk management essential to ensuring patient safety, meeting stringent regulatory standards and safeguarding brand reputation. Failure to manage these risks can result in patient harm, legal liabilities and regulatory sanctions.

We regard strategic risk management as fundamental to building long-term resilience, strengthening stakeholder trust and enabling sustainable growth. Through a robust, multi-layered framework, we anticipate challenges, safeguard opportunities and consistently uphold our commitments to patients, investors and society at large.

Risk Management Process

Risk Identification
We recognise and list potential internal and external risks that may impact our operations

Risk Assessment
We evaluate the likelihood and impact of identified risks to prioritise them effectively

Regulatory Alignment
We ensure all practices comply with applicable legal and industry regulations

01 › 02 › 03 › 04 › 05 › 06

Defining Risk Tolerance
We determine the extent of risk we are prepared to accept while pursuing our objectives

Proactive Mitigation
We implement strategies and actions to reduce or eliminate the impact of key risks

Ongoing Monitoring
We use structured frameworks to review, monitor and refine our risk responses continuously

Mitigation Strategies

Financial
RISK

Price Control Risk

Government pricing controls and tender based procurement may impact margins

Mitigation Approach

Maintain competitive pricing and optimised cost structures to sustain market position

Capital Linkage

Financial

Currency Volatility Risk

Foreign exchange may impact profitability

Mitigation Approach

Natural hedge through export orientation and balanced currency exposure

Capital Linkage

Financial

Compliance
RISK

Health Safety and Environmental Risk

Non-compliance with safety or environment norms may lead to legal and operational risks

Mitigation Approach

Strong HSE policies and compliance frameworks across operations

Capital Linkage

Financial

Natural

Patent Risk

Patent related risks may delay launches and impact timelines

Mitigation Approach

Proactive IP strategy, due diligence and preparedness

Capital Linkage

Intellectual

Regulatory Risk

Adverse regulatory inspection may disrupt operations or approvals

Mitigation Approach

Robust quality systems and adherence to global regulatory standards

Capital Linkage

Manufactured

Intellectual

Operational
RISK

Geographic Risk

Reliance on specific regions may expose operations to regional disruptions

Mitigation Approach

Diversifying presence across multiple geographies to reduce concentration risk

Capital Linkage

Financial

Manufactured

Supply Chain Risk

Disruptions from geopolitical and logistical factors may affect procurement and distribution

Mitigation Approach

Inventory optimisation, contingency planning and logistics management

Capital Linkage

Manufactured

Social and Relationship

Human Capital Risk

Inability to attract or retain talent may impact innovation and execution

Mitigation Approach

People-centric policies, competitive compensation and inclusive work environment

Capital Linkage

Human

Business Portfolio Risk

Dependence on limited products or therapies may affect revenue stability

Mitigation Approach

Portfolio diversification and expansion into new therapeutic segments

Capital Linkage

Financial

Intellectual

Climate Related
RISK

Physical Risk

Climate events may disrupt operations and logistics

Mitigation Approach

Incident response systems and resilience planning

Capital Linkage

Manufactured

Natural

Transitional Risk

Regulatory and market shifts towards sustainability may increase compliance cost

Mitigation Approach

Focus on energy efficiency, cleaner technologies and sustainable sourcing

Capital Linkage

Financial

Natural

Governance

Where Deep Insight Meets Foresight

In a rapidly evolving and highly competitive business environment, strong governance serves as a critical differentiator. At the core of our organisation is an experienced Board of Directors, providing strategic direction, navigating challenges and fostering a culture of innovation and continuous improvement. Integrity remains central to everything we do, guiding our commitment to consistent and sustainable progress. This is reinforced by a robust governance framework, supported by well-defined policies that safeguard employees, uphold stakeholder confidence and ensure full compliance with regulatory requirements.

Our Committees

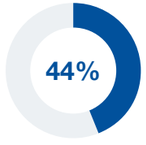
Name of Committee	Number of Meeting Conducted	Average Attendance in %
Stakeholders Relationship Committee	1	100%
Risk Management Committee	2	88.89%
Nomination and Remuneration Committee	3	100%
Corporate Social Responsibility Committee	3	100%
Audit Committee	5	95%
ESG Committee	1	100%

Our Policies

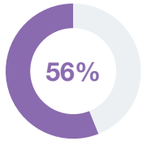
- Risk management policy
- Code of practice and procedures for fair disclosures of unpublished price sensitive information
- Code of conduct to regulate, monitor and report trading by designated persons
- Whistle blower policy
- Related Party Transaction policy
- Materiality policy
- Policy on preservation of documents and archival
- Determination of material subsidiaries policy
- Code of conduct for Board Members, senior management personnel and employees
- Nomination and remuneration policy
- Dividend distribution policy
- Stakeholder grievance redressal policy
- Corporate Social Responsibility Policy

Board Composition and Expertise

Composition



Executive Directors



Non-Executive Independent Director

11.11%

Board Diversity

Areas of Expertise

55.55%
Legal, Commercial and Financial

55.55%
Technology

44.44%
Leadership

100%
Governance

55.55%
Global Business

55.55%
Industry Knowledge

44.44%
Operations

Board of Directors

Our Leadership at the Helm

Sri V. C. Nannapaneni

Chairman and Managing Director

M C C C M M

Sri Rajeev Nannapaneni

Vice Chairman and CEO

M M M M M M

Sri P.S.R.K Prasad

Director and Executive Vice President (Corporate Engineering Services)

C M M

Dr. D. Linga Rao

Director and President (Technical Affairs)

M M

Sri D. Vijaya Bhaskar

Independent Director

C C M M M M

Sri A.D.M. Chavali

Independent Director

M M

Sri Lakshminarayana Bolisetty

Independent Director

M M C

Dr. Kantipudi Suma

Independent Director

M M

Sri Nitin Jain

Independent Director

M M

C Chairman M Member

Committee

- Stakeholders Relationship Committee
- Compensation Committee
- Risk Management Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Committee dealing with Land Property
- Audit Committee
- Buyback Committee
- ESG Committee

Management Team

Our Leadership Force

Appa Rao S V V N
Chief Financial Officer
(Superannuated w.e.f.the closure of business hours on 12.02.2026)

Amit Parekh
Chief Financial Officer
(Appointed w.e.f.13.02.2026)

Sadasiva Rao N
Executive Vice President - Corporate Affairs, Legal & Secretarial, Estate Management

Rajesh Chebiyam
Executive Vice President, Crop Health Sciences

Kalakuntla Srinivas Rao
Executive Vice President – Pharma Division
(Appointed w.e.f.12.02.2026)

Dr. Gopalakrishnan Vaidyanathan
Senior Vice President - Analytical R&D
(Superannuated w.e.f.30.09.2025)

Lakshminarayana A
Senior Vice President - HR & OD

Sunil Kotaru
Senior Vice President – Supply Chain Management

Suryanarayana Reddy Matli
Senior Vice President - Quality Assurance

Imtiyaz Basade
Senior Vice President - R&D

Bhimrao Dattu Jadhav
Senior Vice President - Operations (Formulations)

Yarramshetty Krishna Rao
Senior Vice President - Operations

Dr. Rampalli Sriram
Senior Vice President - CRD

Sandeep Kumar
Senior Vice President - QA

Gnanadeva Chalapathy Gudipati
Senior Vice President - Analytical Research & Development
w.e.f. 06.07.2026

James Rajakumar
Vice President - Marketing & Sales, Domestic

Nadella Malleswara Rao
Vice President – Head Operations
(Superannuated w.e.f.30.06.2026)

Kurra Venkata Sreenivasa Babu
Vice President – Operations

G. Vasan
Vice President - Operations

Dr. Praveen Chowdary Myneni
Vice President - Medical Affairs & CR

Dr. Gogula Venkata Ramana
Vice President - Drug Development & CR

Dr. Pratima Jain
Vice President - IPR

Barur Praveen Kumar
Vice President - IBD

Dr. K.M.V. Narayana Rao
Vice President – ARD

Dr. Dilip Manikchand Dhore
Vice President - CQA

T.C. Mallikarjuna
Vice President - QC

M. Prabhakar Rao
Vice President - IT & IS

K. Madhava Rao
Vice President – FR&D
w.e.f. 06.07.2026

G. Vijay Kiran Kumar
Vice President-CQA (Formulations)
(Appointed w.e.f.09.10.2025)

M Vamsi Krishna
Associate Vice President - CSR

Amresh Kumar Trivedi
General Manager - Legal

Venkat Ramesh Ch.
Company Secretary & Compliance Officer

Awards and Recognition

Accolades That Affirm Our Progress

NATCO Pharma received the Pharma Leader of the Year 2024–25 award from the Hyderabad Management Association.

Award by CSR Summit

GreenCo-Gold Rating' Award- NATCO Pharma

Our Chennai unit has received the 'GreenCo - Gold Rating' award from the Confederation of Indian Industry (CII).

Best Management Award by Telangana Government

We received the Best Management Award from the Telangana Government on 1st May 2025 on the occasion of International Labour Day.

Financial Capital

Accelerating Momentum through Discipline

The complexity of NATCO Pharma's operations underscores the importance of disciplined financial stewardship to ensure long-term sustainability, enable strategic priorities, and create enduring value for all stakeholders. During the year, capital allocation remained firmly directed towards capacity expansion, R&D investment, operational efficiencies, and long-term growth initiatives.

NATCO's financial performance reflected growth across key business segments, supported by robust product sales in the international markets, agility in execution and continued investments in manufacturing and product development. The expansion of our global footprint through the Adcock Ingram and making Indonesia as our own 100% subsidiary, further accelerated our momentum. As NATCO continues to evolve, maintaining a judicious balance between growth investments and capital discipline will remain central to sustaining its strong financial trajectory.

Focus areas

01 Revenue growth across business segments

02 Profitability and margin management

03 Capital expenditure and manufacturing expansion

04 Cash flow and liquidity management

05 Product pipeline and R&D investments

06 Global business expansion and partnerships

07 Shareholder returns and value creation

Growth Drivers

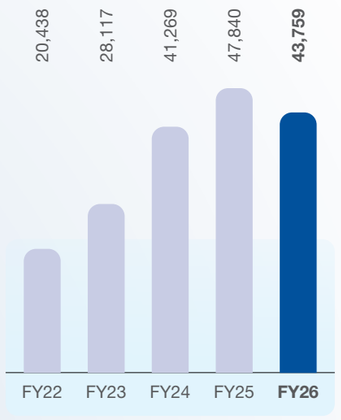
- A differentiated complex generics portfolio supporting growth across regulated and specialty markets through high-value product offerings
- Ongoing manufacturing expansion initiatives focused on enhancing capacity for oncology, injectables and specialty products
- Global market presence supported through operations across regulated and emerging markets, along with strategic partnerships and acquisitions
- Continued investment in R&D and a robust product pipeline emphasises on niche therapies, peptides, complex formulations and specialty molecules
- Crop Health Sciences business contributing to business diversification and broader market participation
- Operational efficiency initiatives supporting cost optimisation, process improvements and margin management across manufacturing facilities
- Strong liquidity position enabling investments in growth opportunities, infrastructure enhancement and future product development

SDGs Covered

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

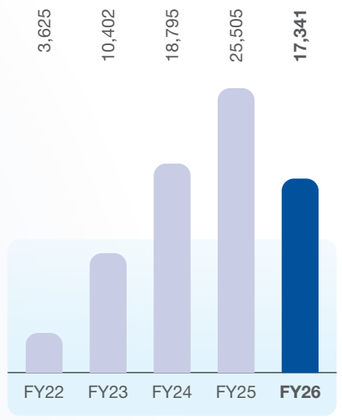
Total Revenue*

(₹ Million)



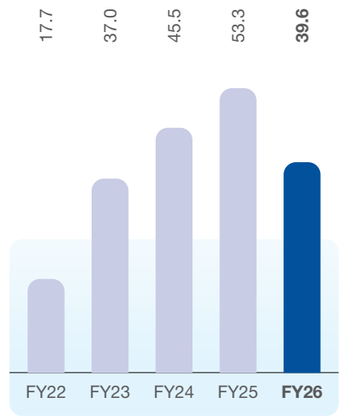
EBITDA*

(₹ Million)



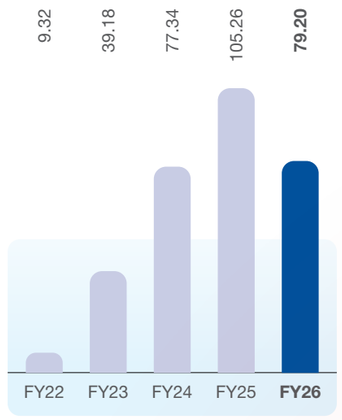
EBITDA Margin*

(%)



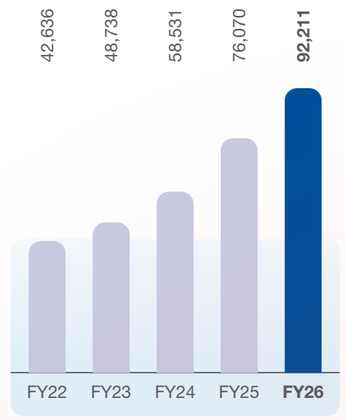
Reported Earnings per share (EPS)

(₹ - Basic)



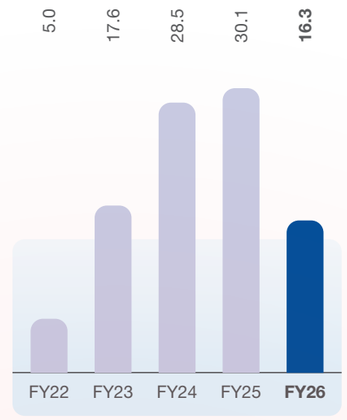
Net worth

(₹ Million)



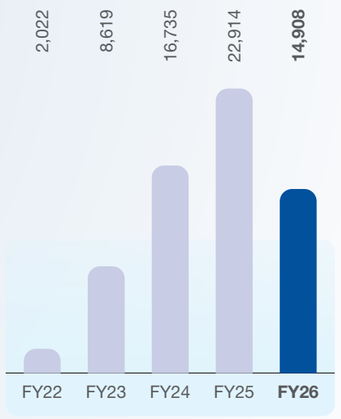
Return on Capital Employed

(%)



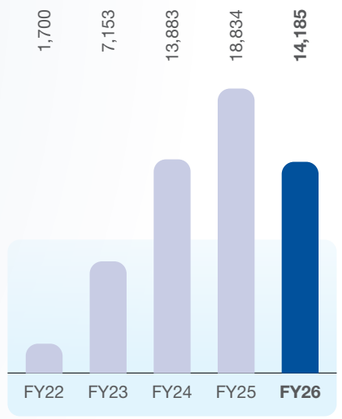
Profit before tax (PBT)#

(₹ Million)



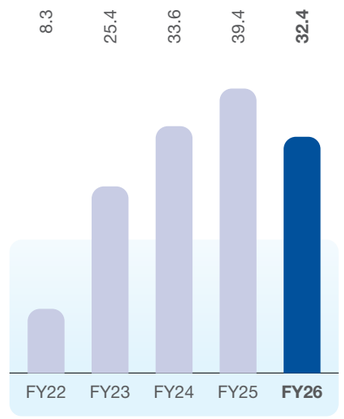
Profit after Tax**

(₹ Million)



PAT Margin **

(%)



Note: All the numbers mentioned are as per the consolidated financial statements

*includes other income

** After share of profit of Associate

#Before share of profit of Associate

Note: All the numbers mentioned are as per the consolidated financial statements

ROCE = Earnings Before Interest and Tax (EBIT) / Capital Employed (Total Assets – Current Liabilities)

Manufactured Capital

Scaling with Agility and Purpose

Our manufacturing infrastructure underpins our ability to deliver quality and complex pharmaceutical products across regulated and emerging markets, forming the cornerstone of the trust we have built with stakeholders over time. It reflects a deep commitment to quality, innovation and global scalability.

Every product we develop is designed to meet stringent regulatory standards, ensuring the highest levels of safety and efficacy for patients and partners worldwide. This commitment is reinforced through continuous adoption of advanced technologies, digitalisation and seamless automation across our operations.

Focus areas

01 Advanced manufacturing infrastructure

02 Capacity expansion and operational scalability

03 Complex generics and specialty product manufacturing

04 Quality management and regulatory excellence

05 Smart manufacturing and automation

06 Production efficiency and supply chain integration

07 Sustainable and resource-efficient manufacturing

Integrated Manufacturing Footprint

We operate two API manufacturing facilities and five finished dosage formulation (FDF) facilities, one technical and one formulation facility for crop health sciences across India, supported by a direct subsidiary & step-down subsidiary presence in the United States, Canada, Brazil, Singapore, Indonesia and the Philippines. Our facilities are aligned with stringent national and international regulatory standards, enabling the consistent delivery of safe, effective and high-quality products across global markets.

2 API Manufacturing Facilities

5 FDF Manufacturing Facilities

1 Technical for CHS

1 Formulations for CHS

SDGs Covered

Our global footprint has been further strengthened through the acquisition of a significant stake in Adcock Ingram Holdings Proprietary Limited, one of South Africa's oldest pharmaceutical companies with a strong portfolio spanning prescription medicines, OTC products, consumer healthcare and hospital offerings.

In parallel, we have diversified into crop health sciences through dedicated technical and formulation manufacturing facilities, broadening our scope in specialised agrochemical products.

Advanced Manufacturing Capabilities

Our specialised facilities are designed to support technically complex and niche therapeutic products, enabling scalability, precision and consistent quality across the value chain.

Evolution Towards Complex Generics and Specialty Products

NATCO's manufacturing journey reflects a strategic transition from conventional generics to complex formulations and specialty products. Through vertical integration, we maintain control across the value chain— from API development to finished dosage formulations— ensuring quality consistency, supply chain resilience and cost efficiency.

- Hot Melt Extrusion (HME) and spray drying for enhanced bioavailability of poorly soluble drugs
- Lyophilisation and isolation technologies for cytotoxic products
- Peptide and oligonucleotide platforms for advanced specialty molecules
- Novel Drug Delivery Systems (NDDS) focused on liposomes and nanoparticle

Infrastructure Enhancement

To support future growth and an expanding product portfolio, we continue to invest in manufacturing capacity augmentation and operational modernisation. During FY 2025-26, several key capacity additions were undertaken across facilities.

Kothur Facility

- Commissioned a 1200L granulation line with capacity of 250 million tablets per annum
- Commissioned a 2L/ hr spray dryer with capacity of 2.5 lakh tablets per annum

Nagarjuna Sagar Facility

- Commissioned a new injectable plant for oncological products with an annual production capacity of 10 lakh lyophilised vials and 39 lakhs liquid vials
- Commissioned a dedicated quality control laboratory for oncological products

Visakhapatnam Facility

- Commissioned a liquid capsule filling line with annual capacity of 75 lakh capsules

Note: The infrastructure enhancements are presented as on the publishing date of the report

Smart Manufacturing and Automation

We are progressively upgrading our manufacturing facilities with digital technologies and automation systems to enhance operational efficiency, process control and compliance readiness.

Installation of centralised and inbuilt Supervisory Control and Data Acquisition (SCADA) systems across key sites

Deployment of 21 CFR Part 11 compliant systems for monitoring critical process parameters such as temperature, pressure and vacuum

Implementation of Document Management Systems (Natco Dox), Learning Management Systems (LMS) and Warehouse Management Systems (WMS)

Automation of manufacturing blocks and process control systems to improve consistency and eliminate manual interventions

Integration of analytical instruments with Laboratory Information Management Systems (LIMS)

Production Planning and Operational Efficiency

Our production planning framework is driven by structured demand forecasting, periodic operational reviews and continuous process optimisation, enabling optimal capacity utilisation across multi-product manufacturing facilities. Our plants support validated cleaning procedures and adaptable configurations to maximise equipment utilisation.

Operational excellence is further strengthened through

Real-time monitoring systems and digital quality platforms

Dedicated engineering teams for process optimisation and efficient resource utilisation

Strategic backward integration for APIs to ensure supply chain stability and cost efficiency

Integration of PLC-based systems and SCADA software

Agile manufacturing execution and inventory management practices

Note: The infrastructure enhancements are presented as on the publishing date of the report

Quality, Compliance and Regulatory Excellence

Our manufacturing systems are aligned with stringent global regulatory standards, including US FDA, EMA, PIC/S, WHO GMP, ICH guidelines, ISO standards and Indian Schedule M requirements, enabling consistent compliance across regulated and emerging markets.

The Company follows a robust Quality Management System (QMS) encompassing

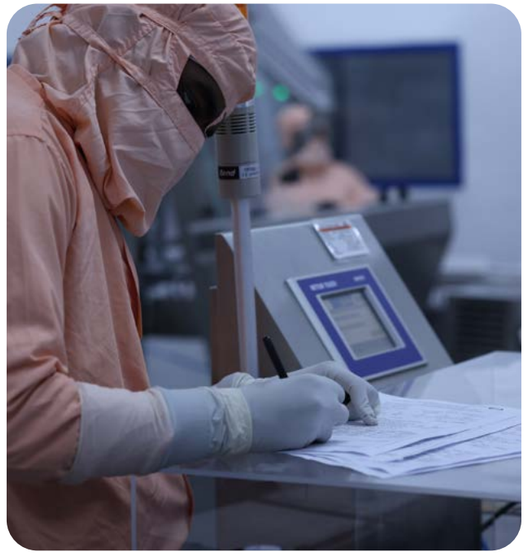
- Deviation management
- Change control
- Document management
- Lifecycle-based process validation
- Out-of-specification (OOS) investigations
- Corrective & Preventive Actions (CAPA)
- Vendor qualification and quality risk management
- Data integrity controls based on ALCOA++ principles

Zero

Product Recalls

6

Foreign Regulatory Inspections



Regulatory Inspections and Inspection Readiness

During the year, NATCO's manufacturing facilities were subject to six foreign regulatory inspections by agencies, including the USFDA, Turkish Medicines and Medical Devices Agency, Germany's Federal Institute for Drugs and Medical Devices and the Medicines Control Authority of Zimbabwe.

Inspections were conducted by USFDA at Mekaguda, Kothur and Chennai facilities during FY 2025-26. All the observations were addressed. Following which Established Inspection Reports (EIRs) were received.

Continuous Improvement and Sustainability Integration

Operational efficiency at NATCO is closely linked with sustainability and continuous improvement initiatives.

We continue to deploy resource-efficient technologies such as

- Zero Liquid Discharge (ZLD) systems
- Rainwater harvesting and recharge systems
- Renewable energy adoption
- Clean fuel transition initiatives
- Waste utilisation programmes

These efforts are complemented by ongoing initiatives in lean manufacturing practices, data-driven monitoring, workforce capability enhancement and continuous operational refinement, collectively strengthening long-term manufacturing resilience and efficiency.

Intellectual Capital

Setting New Benchmarks through Research-Led Innovation

Every patient is seeking timely diagnosis, effective care and improved quality of life. The need for accessible and effective treatment is universal, reinforcing the importance of scientific advancement in addressing unmet medical needs.

Rapid innovation and evolving scientific paradigms are reshaping the pharmaceutical industry, increasing the demand for differentiated therapies, complex technologies and specialised development capabilities. In line with these evolving industry dynamics, we are strengthening our capabilities through sustained investments in scientific talent, specialised infrastructure, analytical skills and integrated development expertise.
In a significant step towards expanding access to advanced diabetes care, NATCO Pharma has launched generic Semaglutide injection in India, following approval from CDSCO, thereby making GLP-1 therapy more affordable and accessible. Through the launch of first generic of Risdiplam in India, we have brought down the cost of treatment of Spinal Muscular Atrophy, there by making it more accessible and affordable.

SDGs Covered

Focus areas

01 Complex therapeutics and niche product development

02 Oligonucleotide and peptide capabilities

03 Precision medicine and rare disease therapies

04 Para IV and First-to-File (FTF) pipeline expansion

05 Advanced analytical and research infrastructure

06 Cell and gene therapy investments

Advancing Oligonucleotide and Peptide Capabilities

During the year, we improved our focus on oligonucleotide development through targeted investments in specialised technology platforms, scientific expertise and advanced research infrastructure. As therapeutic innovation increasingly shifts towards genetic and precision-based treatments.

Our R&D capabilities continue to expand across oligonucleotide synthesis, purification and analytical evaluation, supported by advanced analytical systems and specialised separation technologies required for complex chemistry and next-generation therapies. In addition, we are reinforcing peptide development capabilities aligned with low-volume and high-value therapeutic opportunities.

Strengthening Integrated Research Capabilities

Our research strategy remains focused on addressing high-barrier, technically differentiated opportunities across global pharmaceutical markets. Supported by strong API capabilities, process chemistry expertise and integrated development platforms, we pursue complex filings that align with evolving therapeutic trends while expanding capabilities across precision medicine, rare diseases and advanced therapeutic technologies.

We invest in scientific infrastructure, specialised equipment and research talent to enhance product development capabilities and improve execution across complex therapeutic platforms.

Key Product Pipeline – USA

Our product pipeline focuses on complex, niche and limited-competition opportunities across regulated markets. Supported by strong R&D and integrated development capabilities, we are expanding our Para IV portfolio across oncology, diabetes, neurology and specialty therapeutics.

28
Para IVs in the pipeline, with over 20 FTFs (incl. Sole and Shared)

14
Approved (either tentative or fully)

329
Patents Filed (Global)

116
Patents approved (Domestic)

217
Patents approved (Global)

299
Patents Filed (Domestic)

Key Solo FTFs (Para IV) in the Pipeline

Brand	Molecule	Therapeutic Segment / Primary Indication
Kyprolis	Carfilzomib (10 mg)	Cancer / Multiple Myeloma
Imbruvica	Ibrutinib (tablet)	Cancer / Leukaemia
Zydelig	Idelalisib	Cancer / Blood and Bone Marrow Cancer
Lynparza	Olaparib	Ovarian / Breast Cancer
Ozempic	Semaglutide pen 8 mg/3 ml & 2 mg/3 ml	Diabetes
Balversa	Erdafitinib	Bladder Cancer
Wegovy	Semaglutide (all strengths)	Weight Loss
Tabrecta	Capmatinib	Cancer / Lung Cancer

Key Para IV Products in the Pipeline (Filing on NCE-1 Date)

Brand	Molecule	Therapeutic Segment / Primary Indication
Eliquis	Apixaban	Anticoagulant
Ozempic	Semaglutide pen (2 strengths)	Diabetes
Lonsurf	Trifluridine / Tipiracil	Metastatic Colorectal Cancer
Yondelis	Trabectedin	Advanced Soft-Tissue Sarcoma / Ovarian Cancer
Calquence	Acalabrutinib	Cancer / Blood
Kyprolis	Carfilzomib 60 mg/ml	Cancer / Multiple Myeloma
Nurtec	Rimegepant	Migraine
Jevtana	Cabazitaxel	Cancer
Evrysdi	Risdiplam Oral Solution	Spinal Muscular Atrophy

Note: As at 31st March, 2026

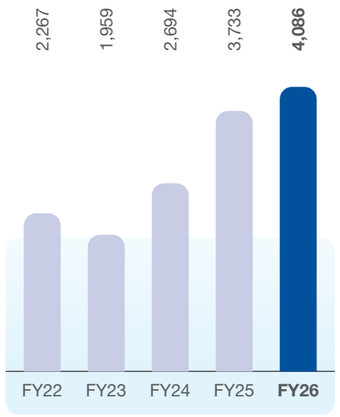
R&D Expenditure and Innovation Investments

Our investments in research and development reflect our unwavering commitment to advancing scientific capabilities, expanding technology platforms and enabling complex therapeutic programmes. R&D investment is guided by product development opportunities and controlled by molecule selection, project complexity and development timelines.

As therapeutic technologies evolve, the focus remains on building differentiated capabilities, accelerating complex product development and expanding our footprint across next-generation pharmaceutical opportunities.

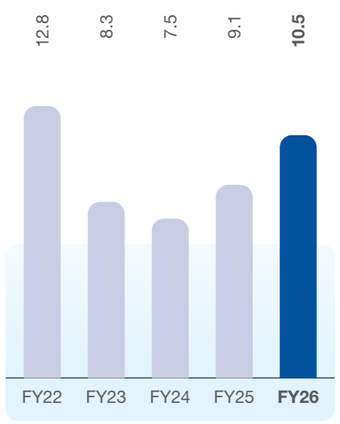
R&D Spend

(₹ Million)



R&D Spend

(in %*)



*As % of standalone total income

Our NCE and Cell and Gene Therapy Investments

Innovation and research form a critical pillar of our long-term growth strategy as we expand our presence across New Chemical Entities (NCEs), cell and gene therapy platforms, regenerative medicine and advanced biologics. Through strategic investments, targeted collaborations and focused R&D initiatives, we are building a diversified innovation ecosystem that enables us to meet global healthcare needs.

eGenesis

We invested US$ 8 million in eGenesis, a biotechnology company focused on xenotransplantation through the development of safe and effective human-compatible organs for transplant. The company achieved a significant milestone with the first human transplant of a genetically engineered pig kidney in March 2024 and is advancing programmes across kidney, liver and heart transplantation to address global organ shortage challenges.

NRC – 2694

NRC-2694-A is an orally administered small-molecule tyrosine kinase inhibitor discovered and developed by NATCO Pharma Limited. The molecule is being evaluated for recurrent or metastatic head and neck cancer in patients progressing on pembrolizumab therapy; Applied for permissions to start phase II clinical trials in the US.

Cellogen Therapeutics

We invested US$ 2 million in Cellogen Therapeutics, which focuses on advanced cellular engineering methods and gene-therapy-based approaches. The company is developing innovative third and fourth generation CAR-T cell therapies for leukemia and lymphoma, along with genetic therapies for beta-thalassemia and sickle cell disease. Cellogen Therapeutics has also received GMP manufacturing approvals in India.

Stero Therapeutics

We invested US$ 1 million in Stero Therapeutics, which is developing novel therapies for metabolic diseases. The company is currently focused on therapies for Cushing's syndrome and expanding into NASH-related treatments, supported by ongoing pre-clinical animal studies.

Human Capital

People Powering New Frontiers

Behind every life-saving medicine is the collective dedication of scientists in laboratories, strategists shaping direction, and teams across manufacturing and operations working with precision and purpose. Each individual plays a vital role in advancing our mission of making quality healthcare more accessible. From research and development to production and patient outreach, it is this shared commitment that transforms intent into meaningful impact.

We remain committed to fostering a workplace culture built on inclusion, continuous learning, employee well-being, leadership development and workplace safety. NATCO strives to foster an environment where employees are empowered to learn, collaborate and grow professionally while contributing to the organisation's long-term success. Through structured people practices, robust governance frameworks and ongoing capability-building initiatives, we enable our employees to evolve alongside the organisation, collectively advancing the vision and purpose

SDGs Covered

Focus areas

01 Diversity, equity and inclusion	02 Leadership and capability development	03 Learning and development
04 Employee engagement and workplace culture	05 Occupational health and safety	06 Employee well-being and benefits
07 Human rights and ethical workplace practices		

Our human capital strategy is focused on building a future-ready workforce equipped with the technical expertise, behavioural capabilities and leadership mindset required to navigate an increasingly dynamic pharmaceutical landscape. We have nurtured our organisational culture through initiatives centred on diversity and inclusion, structured learning frameworks, employee engagement programmes, workplace wellness practices and robust occupational health and safety practices.

Workforce Demographics

We maintain a balanced workforce structure comprising employees across senior, middle, junior and worker categories. Spanning diverse age groups and functional specialisations, our team combines experience, technical expertise and fresh perspectives, enabling collaboration, innovation and organisational agility across the organisation.

Particulars	FY 2025-26
Employees Below 30 Years	1,044
Employees Between 30–50 Years	3,629
Employees Above 50 Years	387
Turnover Rate – Permanent Employees	18.89%
Turnover Rate – Permanent Workers	2.69%

Fair Compensation and Equitable Workplace Practices

We remain committed to strengthening equitable remuneration practices across all employee categories. Our compensation structures are designed to ensure fairness, transparency and equal opportunity, while remaining aligned with industry standards and local regulatory requirements.

Compensation practices are formalised through structured agreements, with oversight from the Nomination and Remuneration Committee. The Committee governs the implementation of performance-linked and merit-based remuneration policies across leadership levels.

Particulars	FY 2025-26
Employees & Workers Paid Above Minimum Wages	100%
Gross Wages Paid to Females as % of Total Wages	6.54%
Metropolitan Wage Distribution	35.58%
Semi-Urban Wage Distribution	59.08%
Rural Wage Distribution	5.34%

Particulars	Male	Female
Board of Directors	8	1
Key Managerial Personnel	2	0
Employees other than BoD & KMP	3,719	419
Workers	450	48
Casuals	344	74

Nurturing the Leaders of Tomorrow

We strive to develop the vision, mindset and skills required to lead with purpose and strengthen the leadership pipeline to ensure business continuity. Through structured development pathways, mentorship opportunities and cross-functional exposure, we empower our employees to excel in leadership roles and drive meaningful organisational impact. Our approach is focused on preparing employees for the future while ensuring alignment with the organisation's long-term vision, values and strategic priorities.

Leadership Development Framework

- Emerging Leaders Programme for early-career employees
- Mid-level Leadership Acceleration initiatives
- Executive Readiness Pathways for senior management
- Leadership retreats and mentorship opportunities
- Cross-functional and global exposure programmes

Particulars	FY 2025-26
New Hires	904*
Leadership Development Programmes Conducted	11 programs
Employees Covered Through Leadership Programmes	1,948
Internal Capability-building Sessions	11

*Male-828, Female-76

Learning, Leadership and Capability Development

We foster a culture of continuous learning, leadership development and capability enhancement across all levels of the organisation. Aligned with business priorities, compliance requirements and long-term organisational goals, our learning and development framework is designed to strengthen technical expertise, behavioural competencies and leadership capabilities across the workforce. Our programmes focus on leadership effectiveness, supervisory development, workplace ethics, quality culture, communication, safety and employee engagement.

10+

Operational Locations Covered Through Training Programmes

1,900+

Total Employee Participations Across L&D Interventions

Leadership Development Programmes

We conducted the NATCO LEAD Programme for senior management employees, with a focus on strategic thinking, collaborative decision-making and leadership effectiveness. Building on this foundation, the NATCO NEXT Programme was designed for middle management employees to enhance managerial effectiveness, stakeholder engagement and productivity management. At the supervisory level, the NATCO Navigator Programme enhanced supervisory capabilities, communication effectiveness and operational leadership across manufacturing functions.

120

Employees Covered Under NATCO Navigator Programme

83

Employees Covered Under NATCO NEXT Programme

28

Employees Covered Under NATCO LEAD Programme

Women Leadership Development

To strengthen women leadership representation, we conducted WIN-R (Women in NATCO Rise), a dedicated leadership development initiative focused on career progression, leadership capability and work-life balance.

23

Women Employees Covered Under WIN-R Programme

Workplace Capability and Behavioural Programmes

We also conducted structured learning interventions focused on communication effectiveness, workplace behaviour, collaboration and employee engagement across operational locations. These programmes contributed to stronger cross-functional coordination, reinforced workplace ethics and accountability, and better quality awareness across teams.

445

Employees Covered Under Team Building and Collaboration Programmes

471

Employees Covered Under Workplace Behaviour Programmes

292

Employees Covered Under Effective Communication Training

Compliance and Audit Readiness

As part of our compliance and quality culture initiatives, Anytime Audit Readiness programmes were conducted to strengthen awareness on GMP, CAPA management, documentation practices and audit preparedness across manufacturing operations. In parallel, ISO 27001 awareness sessions enhanced understanding of information security, cyber security and digital governance practices among key personnel.

128

Employees Covered Under Audit Readiness Programmes

254

Employees Covered Under ISO 27001 Awareness Training

60

Employees Covered Under POSH and IC Awareness Sessions

Employee Integration and Onboarding

During FY 2025-26, NATCO launched UNNATA, its first centralised induction programme aimed at creating a structured onboarding experience for new employees across locations. The programme introduced employees to the organisation's culture, workplace practices, compliance expectations and business operations, enabling early employee engagement and organisational alignment.

44

Employees Covered Under UNNATA Induction Programme

Employee Well-being and Benefits

Employee well-being remains integral to our long-term growth and organisational sustainability. We foster a workplace culture that prioritises physical health, emotional well-being, financial security and professional growth, ensuring our employees feel safe, supported and empowered to thrive.

- Provident fund contributions
- Gratuity schemes
- Performance-linked incentives
- Transition assistance programmes
- Compensated leave benefits
- Group medical and accident insurance

Through preventive health camps, routine medical check-ups, mental well-being initiatives and occupational healthcare support, we continue to advance employee care across locations. Occupational Health Centres (OHCs) across operational sites remained staffed to provide round-the-clock medical assistance.

During the year, daycare facilities continued to be available at select operational facilities, along with accessibility measures for differently abled individuals. Group life insurance coverage, maternity benefits and broader employee welfare initiatives further strengthened our employee support systems.

Particulars	FY 2025-26
Employees Covered Under Health Insurance	100%
Workers Covered Under Health Insurance	100%
Employees Covered Under Accident Insurance	100%
Workers Covered Under Accident Insurance	100%
Eligible Female Employees Covered Under Maternity Benefits	100%
Female Employees Returning Post Parental Leave	100%
Retention Rate Post Parental Leave	100% for women*
Employee Well-being Spend	19+ Crore
Well-being Spend as % of Revenue	0.56%

*as there is no policy for parental leave for male employees

Employee Engagement and Workplace Culture

Our employee engagement framework is focused on empowerment and inclusion, continuous learning and development, recognition and career growth as well as work-life balance and well-being. Through a range of employee-centric initiatives across operational locations, we continue to strengthen workplace camaraderie, collaboration and organisational culture.

STEP 01

Recognition and reward programmes

to acknowledge employee contributions, reinforce performance excellence and encourage continuous improvement across functions

STEP 02

Long service awards

to celebrate employees who have demonstrated sustained dedication and contribution to the organisation over the years

STEP 03

Festival celebrations across plants and offices

to strengthen inclusivity, cultural connectedness and employee participation across locations

STEP 04

Women's Day celebrations

to recognise the contribution of women employees and strengthen awareness around diversity, inclusion and workplace equity

STEP 05

Blood donation drives

conducted across facilities to encourage employee participation in community welfare and social responsibility initiatives

STEP 06

Sports events and team-building activities

to strengthen collaboration, workplace camaraderie and employee well-being across teams

STEP 07

CSR engagement initiatives

to encourage employee involvement in community development and sustainability-focused activities beyond operational responsibilities

Performance Management and Career Progression

We continue to strengthen a performance-driven culture through structured performance management systems focused on collaborative goal setting, continuous feedback and employee development. Our framework enables employees and managers to collaboratively align individual goals with organisational priorities while supporting continuous capability enhancement across functions.

Built around clear performance expectations, regular feedback and structured review mechanisms, our approach provides employees with constructive guidance and meaningful opportunities for professional growth. Continuous performance conversations and transparent evaluation processes further strengthen accountability, collaboration and development across the organisation.

In parallel, we support employees through personalised career development plans, promotion opportunities and merit-based recognition programmes that encourage long-term career progression and capability enhancement.

Occupational Health and Safety

Safe operations begin with identifying and managing risks before they occur. Across our manufacturing and R&D facilities, we strengthen workplace safety through structured risk assessments, preventive controls, regular training and employee participation, creating an environment where every individual contributes to safer operations.

Our occupational health and safety framework combines process safety, hazard identification, permit to work systems, emergency preparedness and behavioural safety practices to minimise operational risks. These measures are complemented by regular inspections, audits and capability building programmes that help maintain safe and reliable operations.

- Process Hazard Analysis (PHA)
- Hazard Identification and Risk Assessment (HIRA)
- Management of Change (MOC) systems
- Safe work permit systems
- Emergency response planning
- Basic Life Support (BLS) and first aid training
- Fire safety mock drills
- Emergency preparedness and response programmes
- Employee participation and training
- Toolbox talks and safety briefings
- National Safety Week celebrations
- Health awareness sessions
- Behaviour-based safety programmes

Particulars	FY 2025-26
Employees Trained on Health & Safety Measures	4,275
LTIFR – Employees	Zero
LTIFR – Workers	Zero
Total Recordable Injuries – Employees (Medical Treatment Case)	1 incident
Total Recordable Injuries – Workers (Medical Treatment)	3 incidents
Fatalities – Employees	Zero
Fatalities – Workers	Zero
High Consequence Injuries	Zero
Health & Safety Complaints Filed	Zero
Health & Safety Complaints Pending	Zero

Cultivating a Diverse and Inclusive Workforce

We believe that diversity and inclusion foster innovation, strengthen decision-making and create a more collaborative and equitable workplace. At NATCO, we continue to build an environment where individuals from diverse backgrounds feel respected, supported and empowered to realise their full potential irrespective of gender, ethnicity, age, religion or ability.

Our Diversity, Equity and Inclusion (DE&I) initiatives are focused on strengthening representation, promoting equal opportunity and fostering greater awareness across the organisation. With these measures we will make sure the workplace is safe for the employees to work.

Key initiatives undertaken during the year included

- Targeted hiring processes
- Sensitisation and awareness programmes
- Effective communication practices
- Inclusive policy reforms
- Allyship and gender sensitisation initiatives

Particulars	FY 2025-26
Women in Overall Workforce	10%
Female Employees	419
Female Workers	122
Female Hires	76
Female Hiring Ratio	1:5
Employees Covered Under DE&I Programmes	100%*

*as per human rights data

Human Rights and Ethical Workplace Practices

We remain committed to safeguarding human rights, upholding dignity and maintaining ethical workplace practices across our operations. Our human rights framework is guided by strong ethical principles, compliance with labour laws and globally accepted practices that reinforce fairness, accountability and respect across the organisation.

These principles are embedded within our Code of Conduct and supported through structured grievance redressal systems and awareness initiatives. Together, these empower employees to report unethical behaviour, discrimination or unfair treatment without fear of retaliation, while strengthening a culture of integrity and trust.

Our Human Rights Focus Areas

- Ethical workplace and employee protection
- Fair labour practices and equal opportunity
- Open and confidential reporting channels
- Governance oversight and accountability
- Awareness and sensitisation programmes
- Continuous monitoring and disclosure
- Business integration of human rights principles

Particulars	FY 2025-26
Employees and Workers Trained on Human Rights	100%
Employees and Workers Paid Above Minimum Wages	100%
Human Rights Assessments Conducted Across Facilities	92%
Complaints on Sexual Harassment	Zero
Complaints on Child Labour	Zero
Complaints on Forced Labour	Zero
Complaints on Workplace Discrimination	Zero
Human Rights Complaints Pending	Zero

Sankrati Festival Celebrations at Corporate Office

Social and Relationship Capital

Empowering Communities to Drive Change

Our social impact approach is anchored in inclusive growth, ensuring that employees, partners and communities progress alongside our organisational development. We focus on enabling meaningful change at the grassroots level through sustained initiatives that enhance well-being and create long-term social value. Through NATCO Trust, we support programmes that improve access to healthcare and education, while reinforcing trust, transparency and accountability across the broader ecosystem. We listen to our stakeholders and engage with them by addressing their priorities and investing in their progress, thereby forging enduring relationships and fostering shared growth.

SDGs Covered

Focus areas

01 Community Health Care Initiatives	02 Foundational Literacy & Numeracy Initiatives and School Infrastructure	03 Early Childhood Education and Development
04 Supplier Partnerships and Performance Management	05 Responsible and Ethical Sourcing	06 Stakeholder Engagement and Value Chain Resilience

Supplier Relationships and Responsible Product Stewardship

The pharmaceutical sector is built on an commitment to quality, reliability and trust. At NATCO, these principles are embedded across our operations and product portfolio, beginning with strengthening of our relationships with our suppliers. We work closely with our partners to uphold the highest standards of product integrity, regulatory compliance and patient safety throughout the value chain. Our collaborative approach bolsters operational resilience, while fostering greater accountability, transparency and alignment across the broader ecosystem.

Advancing Product Quality and Patient Safety

Quality remains at the core of our manufacturing and development processes through robust quality assurance systems, compliance to stringent regulatory frameworks (including GMP, GLP and other international quality standards) and continuous monitoring mechanisms. Risk-based quality management practices support early identification and mitigation of potential concerns, ensuring consistent product quality and patient safety.

- Product quality and batch consistency
- Risk identification and mitigation
- Pharmacovigilance and lifecycle safety monitoring
- Regulatory compliance and inspection readiness
- Quality-focused manufacturing culture

Responsible Product Design and Development

From raw material selection to process optimisation, we pursue opportunities to minimise environmental impact and maintain high standards of product efficacy, safety and reliability. Lifecycle assessment studies undertaken for select products helped identify opportunities to improve resource efficiency and promote environmental stewardship. During the year, initiatives focused on solvent recovery, water management and synthetic route optimisation, driving greater resource efficiency across operations.

Areas of Focus

- Low-toxicity raw material selection
- Green chemistry principles
- Solvent recycling and water recovery
- Process efficiency improvements
- Reduction in hazardous process inputs

Building Responsible Supplier Partnerships

Supplier relationships are managed through structured evaluations processes, periodic audits and regular engagement mechanisms. Suppliers are assessed on parameters such as product quality, ethical business practices, alignment with sustainability standards and regulatory compliance. To support effective oversight, procurement, quality assurance, EHS, manufacturing and regulatory teams work closely together, enabling a coordinated approach to supplier assessment, performance monitoring and ongoing improvement.

Supplier Relationship Priorities

- Responsible and ethical sourcing
- Supplier audits and quality reviews
- Sustainability-linked evaluations
- Long-term partnership development
- Supply chain risk management

Regulatory and Compliance Practices

Our operations are conducted in accordance with regulatory frameworks established by agencies, including USFDA, EMA, WHO and other international bodies. To maintain consistent compliance and product quality standards, we undertake regular internal reviews, compliance assessments and inspection preparedness activities across our facilities. In parallel, our regulatory teams continuously monitor evolving standards and emerging requirements across key markets, enabling agility and adaptability.

Customer and Stakeholder Engagement

Engagement with healthcare professionals, customers and stakeholders is guided by transparency, responsiveness and responsible communication. Product information leaflets, safety guidance and educational materials are designed to improve awareness of product usage, precautions and patient safety considerations. These efforts are aided by customer support and grievance redressal mechanisms that are integrated into operational processes, enabling the timely and effective resolution of concerns.

- Responsible product communication
- Patient awareness initiatives
- Product information accessibility
- Customer grievance mechanisms
- Data privacy and cybersecurity

Environmental Stewardship Across Operations

Environmental stewardship remains an integral part of our manufacturing operations, with a continued focus on minimising operational impact and improving resource efficiency. Wastewater treatment systems, solvent recovery mechanisms, waste management practices and process optimisation initiatives are embedded across facilities, helping reduce environmental footprint while supporting more sustainable operations.

Environmental Priorities

- Resource-efficient manufacturing
- Emission and waste reduction
- Water treatment systems
- Solvent recovery initiatives
- Environmental compliance management

Building Long-Term Value Chain Resilience

NATCO's approach to supplier and stakeholder relationships is anchored in operational reliability, regulatory discipline and responsible business practices. By fostering strong supplier engagement, maintaining a focus on product stewardship and promoting transparent communication, we support a resilient value chain while building trust among patients, healthcare professionals and business partners.

Community Welfare

Our community initiatives are designed to address critical development gaps and create opportunities for meaningful social progress. With a focus on education, healthcare and community infrastructure, we support programmes that improve access to essential services and contribute to stronger, more self-reliant communities. Through NATCO Trust and collaborations with institutions, government bodies and implementation partners, we undertake targeted initiatives that create measurable impact.

Education

Post School Tuition Centres

Expanding across Hyderabad, Rangareddy and Nalgonda districts, the Post School Tuition programme strengthened foundational learning and supported greater student participation throughout the year. More than 3,100 students benefited through 86 learning centres operating across 69 schools. The programme focused on improving reading proficiency, numeracy skills and overall classroom preparedness through structured after-school support.

To reinforce learning outcomes, regular home visits, monthly parent meetings and Bala Melas showcasing student learning were conducted, helping improve attendance, encourage active student participation and foster greater family involvement in children's education.

3,161

Students are enrolled across PST centres

86

Centers

69

Govt Schools

Early Childhood Education

Our intervention in Anganwadi Centres and Bala Vikasa Kendras remained focused on enhancing early learning exposure through engaging educational experiences and improved learning environments. During the year, the programme expanded significantly from 31 Anganwadi Centres to 131 Anganwadi Centres. A key intervention was the deployment of additional educators in Anganwadi Centres, who worked alongside anganwadi teachers and aayas to deliver structured early childhood education activities and strengthen school readiness among young children.

The programme sought to create a stronger foundation for cognitive and social development during the formative years. Key interventions included the provision of learning materials, play-based learning practices, parent engagement through home visits and regular parent teacher meetings and additional educator-led classroom support. Particular emphasis was placed on improving attendance levels of children, encourage sustained early learning engagement and better learning outcomes.

1,929

Children enrolled

131

Anganwadis

Educational Infrastructure Development

As part of its commitment to strengthening public education, NATCO is constructing 2 government schools during the year. The construction of the Integrated School Complex in Hakimpet Village, Vikarabad District, and the Modern School with Creche & Anganwadi in Future City, Kandukur, Rangareddy District are in their final stages of completion. Once operational, these institutions, run by School Education Dept, Govt of Telangana are expected to offer students state-of-the-art learning infrastructure, improved educational amenities, and a supportive environment that fosters holistic development and academic excellence.

NATCO Arogya Kendra

The NATCO Arogya Kendra at Mekaguda continue to function as a vital community healthcare institution, delivering comprehensive primary healthcare services to residents of nearby villages. With facilities for outpatient consultations, diagnostic testing, and inpatient day-care, NAK provides a continuum of care encompassing preventive, promotive, and curative health services. By offering quality healthcare closer to communities and reducing the need for travel to distant medical facilities, NAK plays a significant role in strengthening rural healthcare access and improving health outcomes in the region.

2,794

Beneficiaries

13,700+

Consultations

Supporting Holistic and Experiential Learning

Experiential and activity-based learning remained an important focus area, helping students engage with concepts through practical application and creative exploration. In collaboration with Janyaa Foundation, the Lab-in-a-Box programme was conducted at NATCO Government High School, Borabanda, and NATCO ZPHS, Kothur, introducing practical science learning methods for students from Grades 6 to 10 through classroom demonstrations and teacher workshops. Simultaneously, the Toys from Trash initiative encouraged children to create learning tools from reusable materials, promoting creativity, problem-solving, and participatory learning.

1930

Students participated

Partnerships Supporting Educational Outcomes

Collaboration with organisations such as CSF, Rocket Learning, NSF, and CEGIS contributed to strengthening learning outcomes through targeted interventions in foundational education, teacher development, and programme effectiveness.

CSF supported state-level initiatives focused on teacher training, FLN implementation, and the adoption of digital education systems. Rocket Learning implemented programmes in Yadadri Bhuvanagiri and Nagarkurnool districts, strengthening early childhood learning practices by enhancing Anganwadi teacher engagement and classroom delivery. NSF assessments supported the identification of learning gaps among students, enabling more targeted interventions, while CEGIS provided state-level support through data-led programme reviews and strengthened governance systems across departments.

1,861

Anganwadi teachers reached by Rocket Learning

27,915

Children reached through Rocket Learning

8,53,745

Students benefited through CSF

Healthcare

NATCO Cancer Centre

Improving access to quality cancer care remained a key focus area through the NATCO Cancer Centre at Government General Hospital (GGH), Guntur. Constructed and by NATCO in partnership with the Government of Andhra Pradesh, the Centre is a designated Level I Cancer Centre recognised by the State Government. The existing 100-bed facility houses medical oncology, radiation oncology and surgical oncology departments, providing comprehensive consultations, diagnosis, treatment and specialised cancer care to thousands of patients each year. The Centre is also equipped with a PET-CT scan facility, enabling advanced diagnostic and treatment planning services.

7,000+

Beneficiaries

21,000+

Consultations

100+ Bed

Facility

NATCO Mobile Health Clinics

Through NMHC-Sanjeevini, primary healthcare services were delivered to remote and underserved communities across Nalgonda and Rangareddy districts through regularly scheduled weekly and fortnightly village visits. The programme brought essential healthcare closer to where people live, providing outpatient consultations, basic diagnostic services, preventive health screenings, and health awareness support. Special focus was placed on the elderly, people with chronic illnesses, and those requiring continuous medical attention. In cases requiring specialized treatment, patients were referred through an established referral mechanism to leading government tertiary-care institutions in Hyderabad- Osmania General Hospital, Gandhi Hospital, Niloufer Hospital, and MNJ Institute of Oncology and Regional Cancer Centre. By strengthening access to healthcare at the village level while facilitating timely referrals for advanced care, the initiative enhanced the availability, continuity, and quality of primary healthcare services for underserved populations.

8,000+

Women

53,500

Consultations

13,000+

Beneficiaries

68

Villages

NATCO Eye Care Services

NATCO Trust in collaboration with LV Prasad Eye Institute constructed two secondary eye care centres one in Kothur and another one in Ponnur. The centres are being operated by LVPEI, these include comprehensive consultations, surgeries, etc.,

As part of the community eye care initiative at the Nagarjuna Sagar an optometrist from LVPEI is deployed with the NMHCs who does door step screenings in the villages to identify any cataracts, pterigiums, refractive errors and ensures timely medical intervention to prevent avoidable blindness in the village.

521
Community eye screenings in Sagar

44,315
Consultations

4,026+
Surgeries

Preventive Health Camps

Specialised health camps covering Cancer screening, dental care, dermatology and ENT consultations were conducted across Hyderabad, Nalgonda and Rangareddy districts during the year. These outreach initiatives not only improved healthcare accessibility at the community level but also helped raise awareness around preventive care, encouraging early consultation among beneficiaries.

352
Cancer Screening camp beneficiaries

376
Dental Camp beneficiaries

498
Dermatology camp beneficiaries

95
ENT Camp beneficiaries

Counselling and Patient Support

Counsellor support programmes continued across Niloufer Hospital, Gandhi Hospital, Osmania Hospital and MNJ Cancer Hospital in Hyderabad, where health counsellors assisted patients in navigating hospital processes and accessing the appropriate departments, improving overall service accessibility.

. The interventions included counselling support, awareness sessions and patient engagement activities designed to support well-being during treatment journeys. In addition, medicine support was also extended to MNJ Cancer Hospital to further enhance continuity of care and treatment access.

2,67,713
OPD Support

4,000+
Individuals reached through awareness sessions

90
support group sessions conducted

Founders Day Blood Donation Drive

Blood donation drives organised on Founder's Day witnessed active participation across multiple NATCO locations nationwide, reinforcing voluntary contribution to community healthcare needs. The campaign saw an exceptionally enthusiastic response in Kothur with 536 donors, followed by Mekaguda with 301 donors.

1,632

Blood Donors Participated

Nutrition Support to TB Patients

the Trust extended nutritional support to tuberculosis patients in Wanaparthy and Nagarkurnool through the distribution of supplementary nutrition kits, aimed at improving dietary intake and supporting recovery during treatment.

4,783

Nutrition kits distributed

Adolescent Wellbeing Programme

The Adolescent Wellbeing 360° initiative, implemented in collaboration with Good Universe at NATCO Government High School, Borabanda, focused on building awareness around menstrual health, emotional wellbeing, nutrition and self-confidence among adolescent girls. The programme also promoted understanding of sustainable menstrual practices and contributed to building a more informed and supportive school environment, enabling adolescents to engage more confidently with health and wellbeing topics.

449

Beneficiaries

Sankalpa

Sankalpa is envisioned as NATCO Trust's annual flagship platform that brings together NATCO Trust's volunteers working in early childhood education, post-school remediation, and other stakeholders committed to improving educational outcomes for children. More than a gathering, it serves as a space for learning, inspiration, and collective action, enabling participants to connect, exchange experiences, and strengthen their understanding of the transformative role they play in shaping young lives. The event also serves as a platform to reinforce NATCO Trust's commitment to strengthening foundational learning and supporting children who require additional academic assistance, while fostering a shared vision and a sense of ownership among educators and volunteers.

In 2025-26, Sankalpa witnessed the participation of 250 volunteers and educators, creating a vibrant forum for dialogue and capacity building. Participants had the opportunity to learn from distinguished education leaders, including Dr P. D. K. Rao, Founder of Sodhana, Ms. Sandhya Rani, Former Commissioner, Dept of School Education, Andhra Pradesh, and Ms. Mrudula Vemulapati, Founder of Sayodhya, who highlighted the importance of quality education, community-led interventions, and the critical role of educators in enabling every child to reach their full potential. The event also featured a capacity-building session led by the Sodhana team on play-based learning methodologies, where participants explored innovative teaching approaches through songs, storytelling, dance, and experiential learning. By equipping educators with practical tools and inspiring them to become catalysts for change, Sankalpa laid a strong foundation for collaboration, learning, and long-term impact.

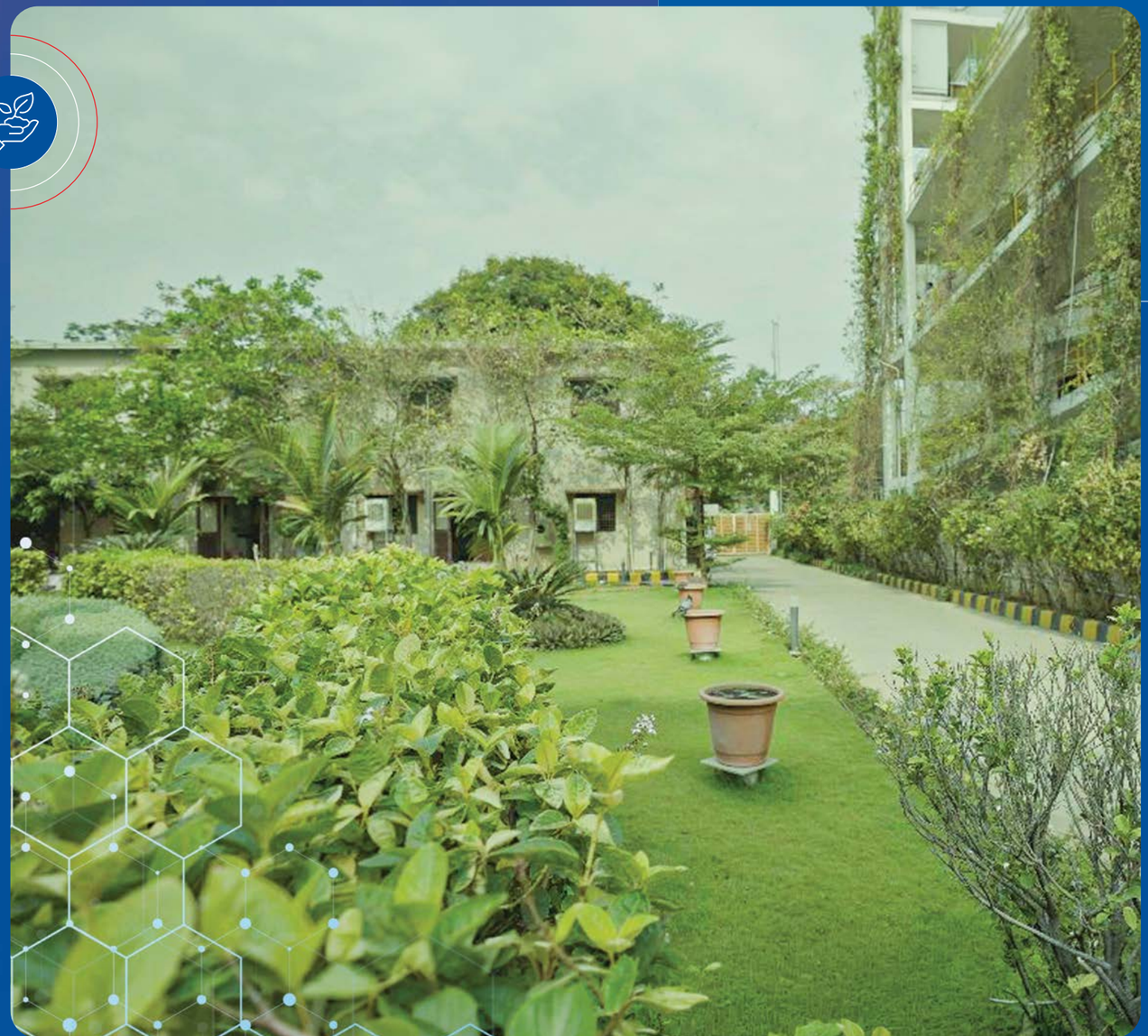
Natural Capital

Embracing Greener Practices for a Greener Tomorrow

Sustainability is more than a commitment—it is a responsibility that shapes the way we operate, innovate and grow. At NATCO Pharma, environmental stewardship is embedded within our pursuit of operational excellence, guiding our efforts to build a more efficient, responsible and resilient manufacturing ecosystem

Recognising the close link between sustainable resource management, long-term business resilience and operational performance, we continue to advance initiatives focus on process optimisation, renewable energy integration, water conservation, green chemistry practices. As we expand our capabilities and advance innovation, we remain equally committed to preserving natural resources and creating sustainable value, contributing to a healthier planet and a more resilient future for generations to come.

SDGs Covered



Focus areas

01 Energy Efficiency and Decarbonisation

02 Renewable Energy Integration

03 Water Conservation and Circular Water Management

04 Biodiversity and Greenbelt Development

05 Waste Reduction and Resource Recovery

Our Environmental Sustainability Approach

Smarter Technologies for Sustainable Operations

Environmental performance is driven through energy-efficient infrastructure, integration of renewable energy and operational optimisation initiatives.

Resource Conservation and Circular Use

Improving resource efficiency through conservation-focused and circular resource management practices.

Progress through Continuous Enhancement

Advancing environmental performance by process improvements, technology interventions and modernisation of operational infrastructure.

Sustainability Embedded into Operations

Incorporating environmental considerations across manufacturing processes, utility systems and operational decision-making to support responsible operations.

Energy and Emissions

Our climate action approach prioritises energy efficiency, increased renewable energy utilisation and reduction of emissions intensity across operations. During FY26, several operational and infrastructure initiatives were undertaken to optimise utility systems, improve equipment performance and reduce reliance on conventional energy sources.

Process optimisation, utility upgrades and renewable energy initiatives contributed towards improved operational efficiency, reduced fuel consumption and enhanced resource productivity across manufacturing operations.

Climate Action Strategy

- Improving energy efficiency across manufacturing operations
- Increasing renewable energy utilisation
- Reducing dependence on fossil fuels
- Improving utility performance through optimisation initiatives
- Lowering greenhouse gas emissions intensity
- Strengthening process efficiency and operational resilience

Energy Consumption

Energy consumption monitoring supports identification of high-consumption areas, validation of savings achieved from efficiency projects and improved operational planning. It also enables data-driven decision-making and targeted conservation initiatives across manufacturing facilities.

During FY26, several energy optimisation projects were implemented across utilities and operational infrastructure.

Key Energy Optimisation Initiatives

Utility and Chiller Optimisation

Chilled water systems and utility infrastructure were optimised through targeted efficiency enhancement measures, automation interventions and equipment modernisation, resulting in reduced energy intensity across operations.

Key Interventions	Outcomes Achieved
Optimisation of chiller systems using Frigitech oil additives	9% reduction in chiller power consumption
Installation of energy-efficient valves in chilled water systems	Nearly 18% improvement in chilled water system efficiency
Chilled water balancing and operational optimisation	Lower operational energy losses
Utility automation and monitoring improvements	Improved utility reliability and operational performance

Smart Lighting and Energy-Efficient Infrastructure

Energy-efficient lighting initiatives undertaken during the year focused on reducing electricity consumption across operational and utility areas through targeted infrastructure upgrades and automation-led interventions.

Key Interventions	Outcomes Achieved
Installation of motion sensor lighting systems	Energy savings of 18,258 units
Motion sensor-based operational optimisation	Reduction of 13.18 tCO_2e emissions
Solar streetlight deployment	Estimated electricity savings of 480 kWh/yearly

Fuel and Utility Optimisation

During FY26, operational improvements were implemented with a focus on reducing fuel consumption and improving utility efficiency.

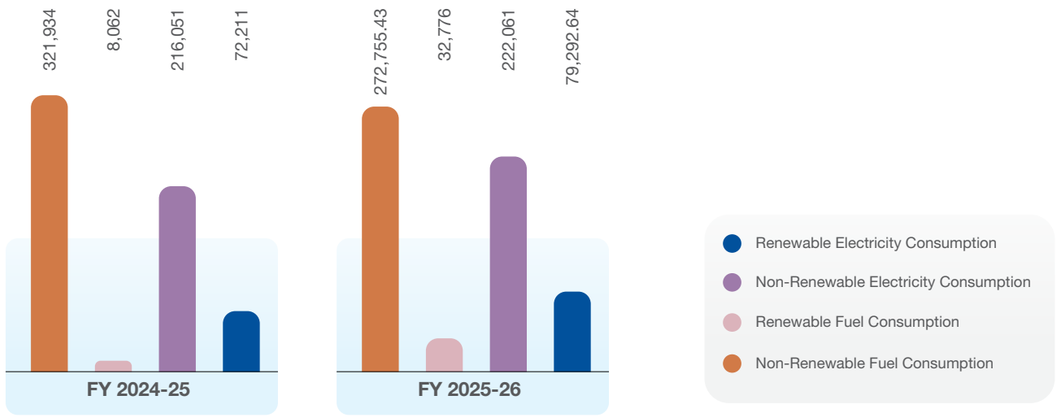
Key Interventions	Outcomes Achieved
Optimisation of DG operational practices	Reduction of approximately 1,248 litres of diesel annually
Improved utility management systems	Lower operational energy losses
Energy-efficient blower replacements	Improved utility performance

Renewable Energy Integration

Expansion of renewable energy infrastructure remained a key focus area during FY 26 as part of the organisation's broader decarbonisation agenda. The emphasis was on increasing clean energy adoption across operations to reduce dependence on conventional power sources and improve overall energy sustainability across manufacturing facilities.

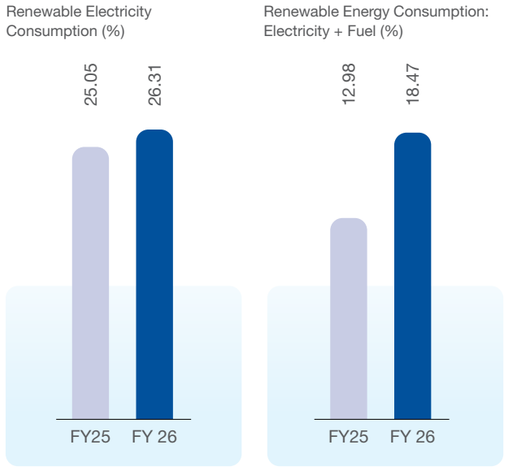
Key Interventions	Outcomes Achieved
Installation of 65 KW renewable power capacity	Increased renewable energy utilisation across operations
Proposed rooftop solar expansion of 520 kW	Strengthened long-term renewable energy infrastructure
Increased use of solar-powered infrastructure Enhanced renewable energy integration into operations	Reduced dependence on conventional energy sources
Transition towards lower global warming potential refrigerants and cleaner technologies	Reduced environmental impact and improved energy performance

Electricity and Fuel Consumption (in GJ)

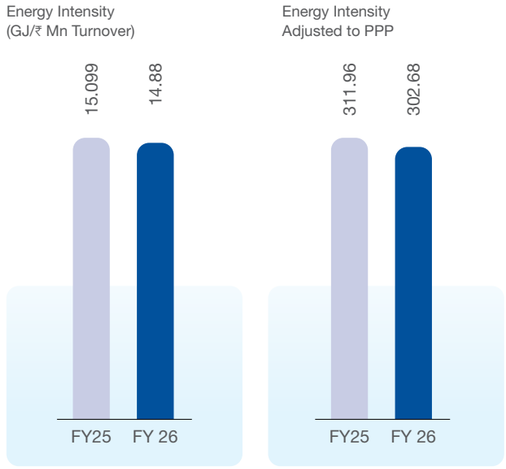


Renewable Energy Consumption

Percentage of Renewable Energy Consumption

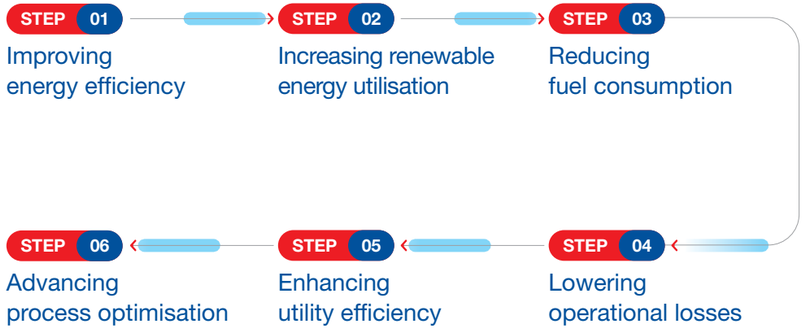


Energy Intensity



GHG Emissions

Greenhouse gas emissions are monitored across fuel consumption, electricity usage and operational activities through structured environmental monitoring systems. Emissions management initiatives during FY26 focused on reducing operational intensity through energy-efficient technologies, process optimisation and infrastructure upgrades.

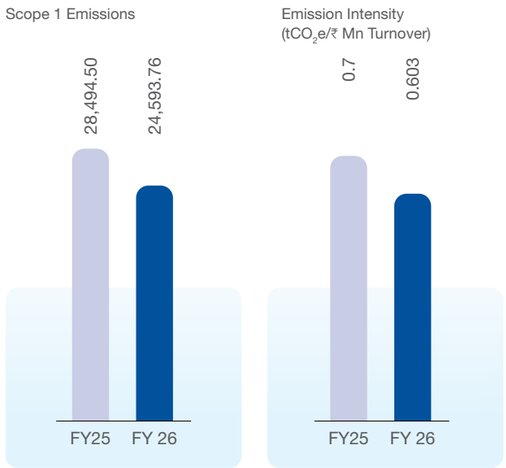


Scope 1 GHG Emissions

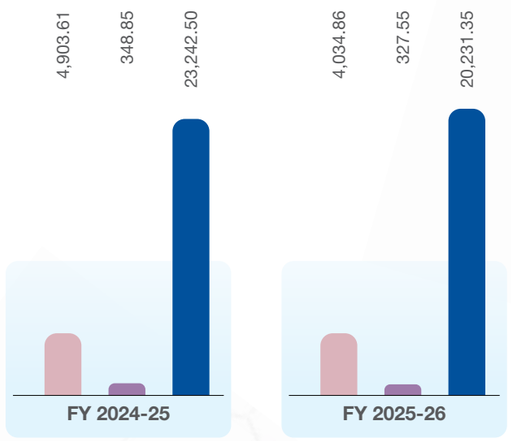
Scope 1 emissions comprise direct emissions arising from operational fuel usage, including diesel, LPG, furnace oil and other fuel sources utilised across manufacturing operations.

During FY26, targeted interventions were implemented across operations to reduce direct emissions intensity and improve overall fuel efficiency.

Scope 1 Emissions (tCO_2e)



Scope 1 Emission by Sources (tCO_2e)



Key Scope 1 Emission Reduction Measures

01 Optimisation of Diesel Consumption

DG operational practices were optimised during the year by rationalising health-check activities and improving utility planning, resulting in lower diesel consumption and reduced emissions intensity.

02 Boiler and Utility Efficiency Improvements

Condensate recovery and reuse initiatives improved boiler efficiency and minimised fuel intensity across utility operations.

03 Transition Towards Lower GWP Refrigerants

Refrigeration systems were upgraded with lower global warming potential refrigerants to reduce environmental impact and improve operational efficiency.

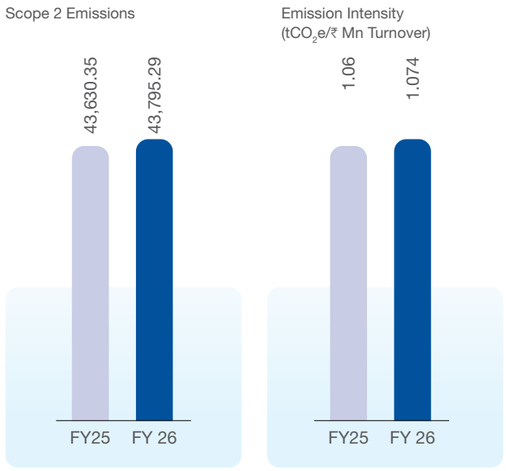
04 Utility Infrastructure Upgrades

Equipment upgrades, including blower replacements, VFD installations and broader utility optimisation measures, improved equipment efficiency and reduced energy losses.

Scope 2 GHG Emissions

Scope 2 emissions arise from purchased electricity consumed across manufacturing facilities and utility operations. During FY26, efficiency-focused interventions across sites helped reduce electricity intensity and improve overall indirect emissions performance.

Scope 2 Emissions (tCO_2e)



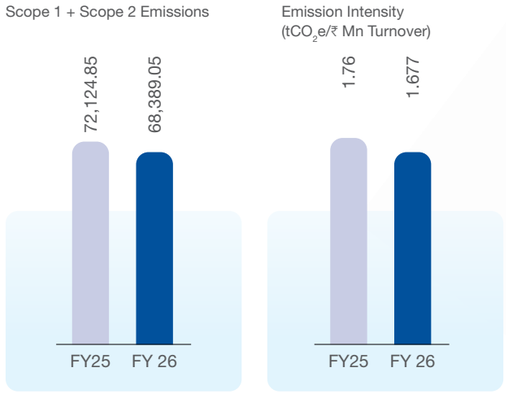
Key Scope 2 Emission Reduction Measures

Initiative	Impact
Solar streetlight installations	Reduced dependence on purchased electricity
Renewable energy infrastructure expansion	Improved renewable electricity utilisation
Motion sensor lighting systems	Reduced operational electricity consumption
Chilled water optimisation initiatives	Improved operational efficiency
Utility automation systems	Better monitoring and energy management
VFD installations and blower upgrades	Reduced operational energy losses

Scope 1 + Scope 2 Emissions

Our Scope 1 and Scope 2 emissions management strategy is centred on reducing overall emissions intensity through improved energy performance, wider adoption of renewable energy and optimisation of utility systems across manufacturing operations.

Scope 1 and 2 Emissions (tCO_2e)



Composition of Renewable Energy Mix FY26 (%)

Renewable Energy Sources	FY 2025-26
Captive Solar	5%
Captive Wind	5.2%
Purchased Renewable Solar	2.8%
Biogenic	5.4%

Decarbonisation and Energy Efficiency Measures

Our decarbonisation roadmap approach is driven by a structured focus on renewable energy adoption, transition to cleaner technologies and continuous improvement in energy and process efficiency. Together, these levers are designed to reduce emissions intensity while supporting long-term operational resilience.

Lever 1 - Expanding Renewable Energy Integration

During FY26, renewable energy adoption remained a key priority to reduce dependence on conventional energy sources and enhance sustainability across operations.

- Expansion of on-grid solar infrastructure
- Installation of solar-powered lighting systems
- Increased renewable power integration
- Proposed rooftop solar capacity enhancement

Lever 2 - Transition Towards Cleaner Technologies

Operational upgrades undertaken during the year focused on reducing fuel intensity and modernising infrastructure to support cleaner and more efficient operations.

- Lower diesel consumption through operational optimisation
- Transition towards lower GWP refrigerants
- Utility system modernisation
- Reduced operational energy losses
- Improved utility performance

Lever 3 - Improving Energy and Process Efficiency

Several process optimisation and utility enhancement projects undertaken during FY26 contributed towards lower operational intensity and improved energy performance.

Operational Initiative	Outcome
Motion sensor lighting systems	Lower electricity usage
Solar streetlight installation	Reduced dependence on grid electricity
Energy-efficient blower replacements	Improved utility efficiency
Chilled water optimisation	Lower energy intensity
VFD installations	Reduced energy losses
RO system upgrades	Improved operational performance
Utility automation and monitoring systems	Enhanced operational visibility and energy management
Process scale-up initiatives	Reduced operational cycles and utility intensity

Air Quality Management

Air quality management efforts focused on strengthening emissions monitoring systems, improving process efficiency and upgrading pollution control infrastructure to minimise environmental impact across operations.

During FY26, multiple operational and infrastructure initiatives were implemented to enhance environmental monitoring, improve utility performance and reduce operational emissions intensity.

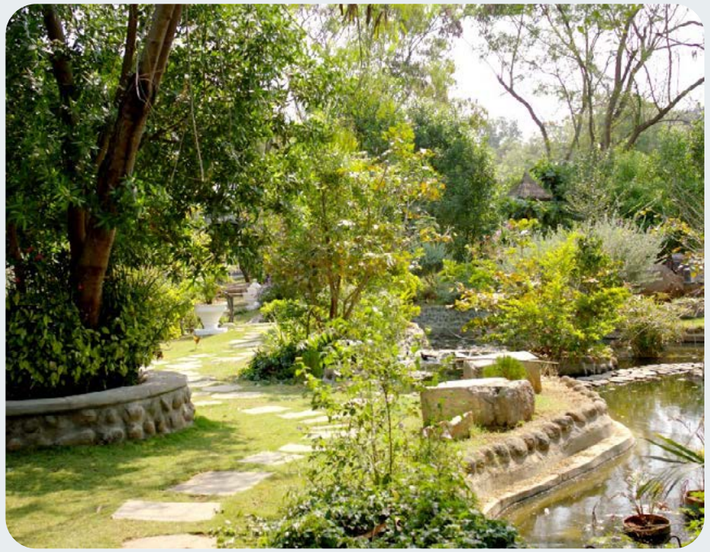
Strengthening Emissions Monitoring and Compliance

Environmental monitoring systems were bolstered through improved monitoring infrastructure, utility tracking systems and operational controls aimed at enhancing environmental oversight and compliance management.

Preventive maintenance practices and operational monitoring frameworks were also refined to improve process stability, enhance equipment efficiency and support sustained reductions in emissions intensity across operations.

Focus Areas

- Online multi-parameter analysers
- Utility monitoring systems
- Operational tracking and monitoring
- Preventive maintenance practices
- Process optimisation measures
- Environmental compliance management



Improving Operational Air Quality Performance

During FY 26, initiatives were implemented to enhance utility efficiency, reduce fuel intensity and optimise manufacturing processes, contributing to improved air quality performance across operations.

Key Initiatives Implemented During FY26	Contribution Towards Improved Air Quality Performance
Reduced diesel consumption through operational optimisation	Lower fuel-related emissions
Upgradation of utility systems and energy-efficient infrastructure	Improved utility efficiency
Process optimisation initiatives reducing operational losses	Reduced operational energy losses
Greenbelt development and plantation activities	Improved environmental conditions around operational areas
Strengthening monitoring and maintenance practices	Better operational reliability and emissions management

Advancing Pollution Control Infrastructure

During the year under review, pollution control infrastructure was upgraded through targeted technology interventions and system modernisation, enabling more effective emissions management and improved environmental performance across operations.

- Upgradation of blower systems and utility infrastructure
- Transition towards lower global warming potential refrigerants
- Expansion of environmental monitoring infrastructure
- Utility optimisation initiatives
- Improved process and maintenance practices

Water Conservation and Stewardship

Water management at NATCO Pharma is integrated with resource efficiency and long-term environmental stewardship. During FY26, initiatives across operations focused on water conservation, reuse, recycling and rainwater harvesting to improve overall water-use efficiency.

Infrastructure upgrades, process optimisation measures and circular water management practices undertaken helped reduce dependence on freshwater sources, improve reuse rates and strengthen sustainable water management across facilities.

Ensuring Efficient Water Utilisation

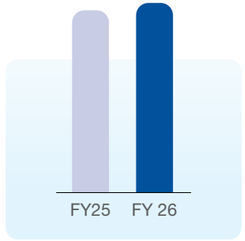
Operational water use was optimised through better control of consumption patterns, improved process efficiency and expanded reuse integration across utilities and manufacturing systems.

Key Measures Implemented During FY26	Contribution Towards Water Stewardship
Installation of water-efficient fixtures and flow-reducing systems	Reduced freshwater dependency
Recovery and reuse of condensate water for boiler feeding, irrigation and utility operations	Increased water reuse and recycling
Process optimisation and batch scale-up measures reducing water consumption per batch	Improved operational efficiency
Water recirculation systems reducing freshwater wastage	Improved circular water utilisation
Expansion of rooftop rainwater harvesting infrastructure	Strengthened long-term water sustainability
Water monitoring and operational control improvements	Lower operational water losses and improved efficiency

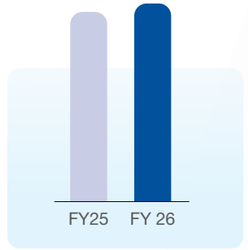
Water Performance Indicators

Water Intensity

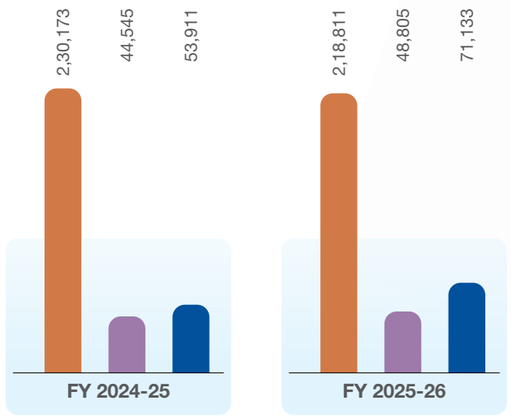
Water Intensity Adjusted to PPP



Water Intensity per ₹ Mn Turnover



Water Withdrawal (KL)



Initiatives for Water Conservation

Lever 1 - Reuse of Water

Water reuse initiatives undertaken during FY26 focused on improving condensate recovery to maximise utilisation of available water resources.

- Reuse of condensate water for boiler operations and softener feeding
- Recovery and reuse of AHU condensate water for irrigation and utility applications
- Reuse of treated water for utility and maintenance activities
- Water recirculation systems reducing operational wastage
- Increased utilisation of recycled water across operational processes

Lever 2 - Process and Resource Efficiency

Process optimisation initiatives focused on reducing water intensity across manufacturing and utility operations.

- Installation of flow-reducing systems and water-efficient fixtures
- Process improvements reducing freshwater dependency
- Reduction in purified water consumption through operational optimisation
- Batch scale-up optimisation reducing water consumption per production cycle
- Water monitoring and operational control improvements
- Utility optimisation initiatives improving water-use efficiency

Lever 3 - Circular Water Utilisation

Rainwater harvesting and water recovery initiatives were strengthened during FY26 to improve water management techniques.

- Expansion of rooftop rainwater harvesting infrastructure
- Groundwater recharge and runoff collection systems
- Surface rainwater utilisation and storage infrastructure enhancement
- Improved condensate recovery and reuse systems
- Strengthening circular water utilisation practices across operations

Advancing Water Stewardship

Water stewardship systems were reinforced through expanded harvesting and reuse infrastructure, enabling improved resilience and reduced dependence on external freshwater sources.

- Expansion of rooftop rainwater harvesting systems
- Surface runoff collection infrastructure enhancement
- Groundwater recharge initiatives
- Increased reuse of condensate and recycled water
- Utility reuse applications supporting circular water management
- Water monitoring and operational control improvements

Wastewater Management

Wastewater management practices across NATCO Pharma are designed to minimise freshwater dependency, enhance reuse efficiency and promote circular water treatment across manufacturing operations. During FY26, multiple infrastructure upgrades, recirculation systems and process optimisation measures were undertaken to support condensate recovery, water reuse and rainwater utilisation.

Wastewater Management Measures

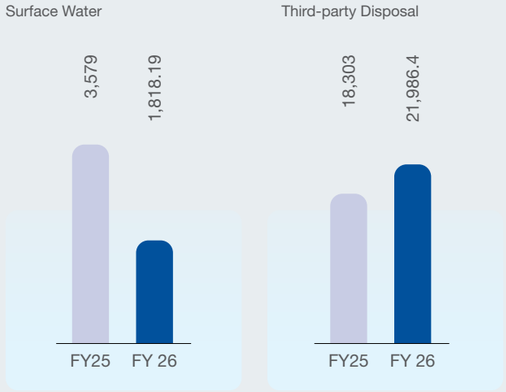
Key Measures Implemented During FY26

- Reuse of condensate water streams for operational applications
- Water recirculation systems
- Process optimisation measures reducing wastewater generation
- Expansion of rainwater harvesting and reuse infrastructure
- Utility optimisation and reuse practices

Contribution Towards Wastewater Management

- Improved water reuse and reduced freshwater dependency
- Reduced operational water wastage
- Improved resource efficiency
- Strengthened circular water utilisation
- Reduced water losses and improved operational efficiency

Water Discharge (KL)



23,805
Total Water Discharge by FY 2025-26

21,882
Total Water Discharge by FY 2024-25

Handling Waste Responsibly

Waste management at NATCO Pharma is guided by a prevention-first approach, prioritising reduction at source, improved material efficiency and recovery-led systems to support circular resource use across manufacturing operations.

During FY26, several initiatives were undertaken to improve waste segregation, optimise resource utilisation and upgrade recycling infrastructure across facilities. These efforts were supported by process redesign, solvent optimisation and increased adoption of digital systems, resulting in reduced waste intensity and improved operational efficiency.

Waste Management Approach

- Waste minimisation at source
- Resource recovery and recycling
- Circular resource utilisation
- Reduction in hazardous waste generation
- Green chemistry and solvent optimisation
- Responsible waste segregation and disposal
- Paperless and digital operational systems

Driving Zero Waste Through the 4R Approach

NATCO Pharma's waste management strategy is anchored in the 4R framework—Reduce, Reuse, Recover and Recycle —designed to minimise material losses and maximise resource value across operations.

Waste Minimisation and Resource Recovery Initiatives

STEP 01

Reduction in Plastic Usage

Plastic consumption across operational areas was reduced through substitution of single-use materials with reusable alternatives and improving material handling practices. The shift from single-use polybags, along with optimisation of packaging material usage supported lower plastic waste generation and improved resource efficiency across facilities.

STEP 02

Green Chemistry and Solvent Optimisation

A range of process enhancement measures were introduced to reduce solvent consumption, hazardous waste generation and wastewater intensity across manufacturing operations. This helped lower operational losses and improved process efficiency and our performance.

STEP 03

Recycling and Circularity Measures

Recycling systems were expanded through upgraded segregation infrastructure, improved collection mechanisms and enhanced material recovery processes. Upgradation of recycling and shredding systems further enabled reuse of operational materials and supported lower landfill disposal across facilities.

STEP 04

Paperless Digitalisation Measures

Digital systems and integrated operational platforms supported reduction in paper usage and improved process visibility. LIMS-enabled operations, SAP-integrated workflows and digital documentation practices improved operational efficiency and reduced physical record handling across functions.

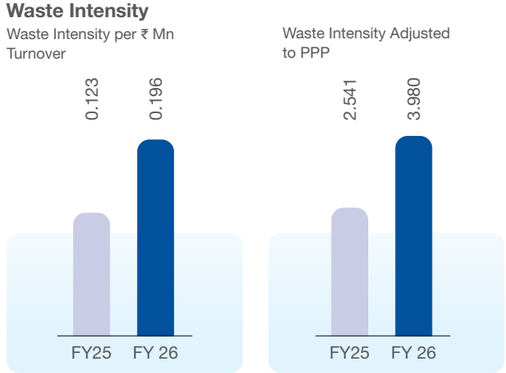
STEP 05

Process Optimisation and Scale-Up

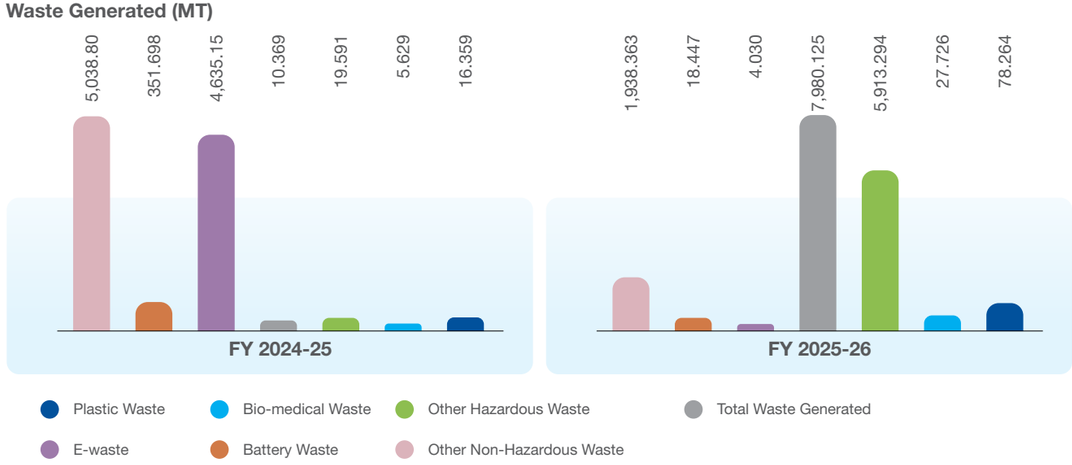
Manufacturing process improvements and batch optimisation measures helped reduce operational waste generation and improve overall resource utilisation. These operational refinements contributed towards lower solvent usage, reduced purified water consumption and improved production efficiency across operations.

Waste Performance Indicators

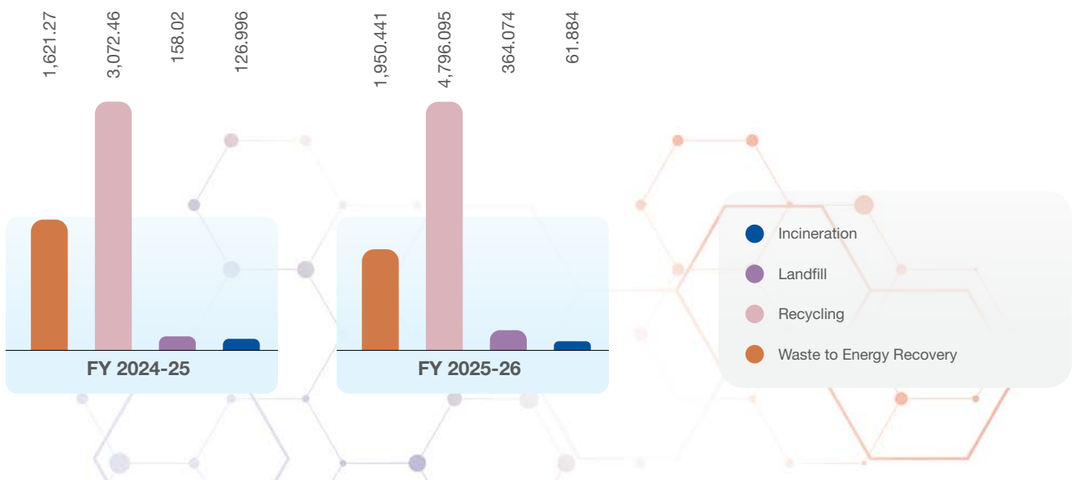
Waste Intensity



Waste Generated (MT)



Waste Disposal (MT)



Biodiversity

We undertook biodiversity enhancement initiatives across our operational locations with a focus on improving green cover, strengthening landscape development and supporting ecological sustainability through plantation and greenbelt development activities.

During FY26, plantation drives were carried out across our operational premises and surrounding areas, including avenue plantations, fruit-bearing trees and ornamental species. These efforts helped improve vegetation diversity, expand green buffers and create more sustainable site ecosystems.

1,470

Saplings planted across facilities

Biodiversity and Ecological Enhancement Initiatives

Plantation and Greenbelt Development

We implemented plantation programmes aimed at expanding green cover and strengthening greenbelt ecosystems across our operational locations. The initiatives included planting species such as mango, amla, peepal, banyan, guava, Indian gooseberry, tulip and custard apple trees.

Sustainable Irrigation and Landscape Management

We utilised recovered condensate water and recycled water streams for irrigation and greenbelt maintenance, reducing reliance on freshwater sources and supporting circular water use. These practices, along with improved site maintenance systems, enabled more resource-efficient management across our facilities.

Management Discussion and Analysis

Economic Overview

Global Economy[1]

The global economy remained stable in CY2025, growing by 3.3%, supported by sustained private investment and easing inflation. Growth divergence persisted, with emerging markets and developing economies expanding by 4.4%, compared to 1.7% in advanced economies. A relatively weaker US dollar and coordinated monetary conditions supported capital flows and demand in developing markets.

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

Global Economic Outlook

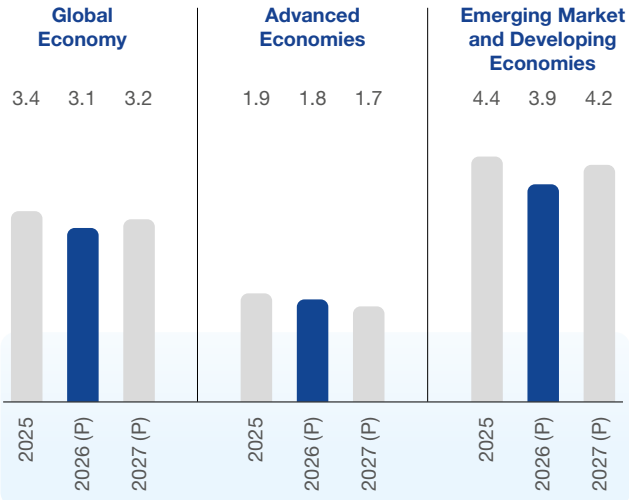
Global trade expansion is expected to moderate as the benefits of supply chain reconfiguration stabilise and the impact of tariffs gradually feed into end-market pricing. China's efforts to address excess capacity are likely to increase its focus on domestic demand while maintaining strong trade linkages across Asian supply chains.

Geopolitical uncertainty remains a key risk, requiring companies to maintain flexibility through diversified sourcing and regionalised supply chains.

Investment in artificial intelligence is expected to remain strong, supported by its demonstrated impact on productivity and operational efficiency. Its growing application in demand forecasting, inventory optimisation and process automation is improving cost control across industries.

Global GDP Growth Projections

(in %)



P – Projection

Source – IMF WEO April 2026

Indian Economy[2]

India's economy remained resilient in FY 2025-26, recording GDP growth of 7.7% despite external uncertainties[3]. Inflation moderated, supported primarily by stable food prices and improved supply conditions. This created room for the Reserve Bank of India to ease monetary policy, with a cumulative rate cut of 100 basis points to 5.25%, improving overall liquidity and credit conditions.

Manufacturing activity remained strong, with the Purchasing Manager's Index (PMI) indicating sustained expansion, driven by healthy order flows and productivity improvements. Industrial production recovered during the year, supported by improved output in automobiles, basic metals and mining.

Consumption trends strengthened, with private final consumption expenditure increasing by over 7%. This was supported by a resurgence in rural demand and declining inflation. Policy measures, including GST rationalisation, also contributed to improved consumption patterns, particularly in urban markets.

Structural efforts to strengthen India's innovation ecosystem continued. The government's Research Development and Innovation (RDI) scheme, with an outlay of ₹ 1 lakh Crore, is aimed at increasing private sector participation in advanced manufacturing and technology development.[4]

Indian Economic Outlook

India's growth momentum is expected to remain stable. A gradual rebound in the manufacturing activity, along with ongoing structural reforms, is expected to help navigate external uncertainties.

Infrastructure investment remains a key driver. The Union Budget for FY 2026-27 provides for an 11.5% increase in capital expenditure to ₹12.22 lakh Crore, reinforcing the focus on long-term capacity creation and economic expansion.

Recent and proposed free trade agreements, including those with the European Union and New Zealand, are expected to improve market access for Indian exporters. These agreements are likely to support export growth and attract foreign investment, particularly in sectors such as pharmaceuticals.

[2] https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULT23032026FF4557A547B3345F1A6C903146932B1C7.PDF

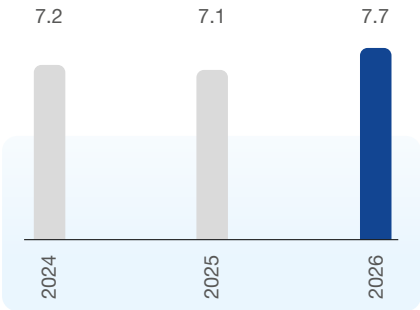
[3] https://www.mospi.gov.in/uploads/latestReleases/latest_release_1780655857536_5ac01869-ca4a-422d-

[4] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2186327&reg=3&lang=2

Indian GDP Growth Trend

GDP growth

(in %)



Source: MOSPI

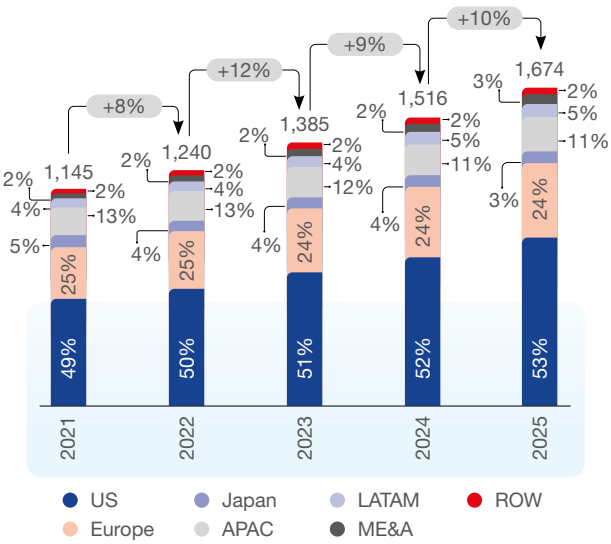
Industry Overview

Global Pharmaceutical Industry[5]

Despite an evolving macroenvironment affecting the industry, the world's prescription drug market has exhibited resilient performance in CY 2025. The industry witnessed sales worth $1.7 trillion based on list prices, registering a 10% year-on-year growth.

Global Medicine List Price Sales

(in $ billion)



Source: IQVIA

This expansion was driven primarily by established drugs alongside continuous innovation. Next-generation treatments are supporting growth, including biologics, antibody drug conjugates, biosimilars, mRNA, peptides, cell and gene therapies. These therapies are forecasted to account for nearly 43% of the global pharmaceutical market by value.[6]

CAR-T Cell Therapies (CAR-Ts)

Representing the leading edge of personalised oncology, CAR-T therapies involve extracting a patient's own T cells, genetically modifying them and re-infusing them to target and destroy malignant cells with exceptional precision.

In CY 2025, this modality generated **$5.8 billion** in sales, with projections reaching **$8 billion** by CY 2030.

In CY 2025, a total of 73 new active ingredients were introduced globally, exceeding the annual average of the past decade.

[7]Global obesity medicine spending increased sharply between 2023 and 2024, driven by the adoption of innovative therapies. Obesity-related medicine spending is projected to increase by 201% between 2025 and 2029, representing a CAGR of 23–26% and an incremental market opportunity of approximately $50.7 billion. The base-case outlook estimates the global obesity medicines market at approximately $77 billion by 2029, while broader adoption and reimbursement expansion could support a higher market scenario of up to $118 billion. Growing awareness of metabolic health and increasing treatment penetration are expected to support sustained long-term demand for obesity therapies.

Regional Analysis

LATAM and Asia-Pacific

Growth across Latin America is expected to remain strong through 2029, supported by improving healthcare access, rising chronic disease prevalence and sustained pharmaceutical demand across key markets such as Brazil and Mexico. Alongside Asia-Pacific markets, the region is projected to record faster growth in medicine usage and spending compared to several developed economies. Over the past five years, global patient usage of medicines increased by 14%, driven in part by expanding healthcare access across China, Asia-Pacific and Latin America.

[5]https://www.iqvia.com/blogs/2026/03/iqvia-early-bird-2025-revealed

[6]

[7]https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/the-global-use-of-medicines-outlook-through-2029/iqvia-institute-global-use-of-medicines-06-25-forweb.pdf

In Brazil, continued growth is supported by rising healthcare expenditure, expanding treatment access and increasing demand for chronic disease therapies. Meanwhile, Canada's pharmaceutical market continues to evolve through pricing reforms, broader biosimilar adoption and changing healthcare delivery models aimed at improving system efficiency and managing public healthcare costs.

Southeast Asia

Across Southeast Asia, rising incomes and an expanding middle class are shifting consumer preferences towards more convenient, high-quality and personalised healthcare services. To meet this evolving demand, the Association of Southeast Asian Nations (ASEAN) is advancing its Pharmaceutical Regulatory Policy to harmonise regional standards, promote intra-bloc trade and reduce import reliance.

Within the region, specific markets are scaling rapidly. Indonesia's pharmaceutical sector is expanding, supported by the world's largest single-payer national health insurance system, while Vietnam and Thailand are leveraging robust research hospital networks to become premier clinical trial destinations. Concurrently, the Philippines has emerged as a leading market for international pharmaceutical firms seeking to establish regional presence.

United States

The U.S. pharmaceutical market is projected to grow at a CAGR of 3–6% on a net price basis through 2029, reflecting moderation compared to the stronger growth recorded over the previous five-year period. Despite the normalization in percentage growth, net medicine spending is still expected to increase substantially, rising from approximately $487 billion in 2024 to nearly $800 billion by 2029. Growth is expected to be driven by continued adoption of innovative therapies across oncology, immunology, neurology, obesity and diabetes treatment segments. At the same time, the industry is expected to witness increasing pressure from patent expiries and biosimilar competition, which are likely to intensify pricing pressures while creating opportunities for generic and lower-cost therapeutic alternatives.

Europe

Pharmaceutical spending across Europe is projected to increase by approximately $85 billion through 2029, supported by continued demand for innovative therapies as well as established branded treatments. Growth within the region is expected to be driven primarily by the EU4 markets and the UK, with increasing adoption of specialty medicines across oncology, immunology and rare disease therapies. In addition, Germany continues to demonstrate one of the fastest uptake rates for innovative pharmaceutical launches among major global markets, reflecting strong access to new therapies and a supportive commercial environment.

At the same time, the European pharmaceutical market continues to operate within a highly regulated pricing and reimbursement framework. Ongoing healthcare policy initiatives aimed at strengthening healthcare preparedness, accelerating clinical development and improving access to innovative medicines are expected to support long-term market expansion. However, continued pricing pressure from patent expiries, biosimilar competition and broader healthcare cost-containment measures across public healthcare systems may moderate overall market value growth over the forecast period.

South Africa*

South Africa's pharmaceutical market is the largest and most mature in sub-Saharan Africa, valued at approximately USD 8.3 billion and projected to reach up to USD 12.4 billion by 2033. The market is expected to grow at a Compound Annual Growth Rate (CAGR) of 5.2% to 5.5%. Driven by cost containment and government mandates, it features a strong demand for generic drugs and a rapidly growing biologics sector. Conventional small-molecule drugs dominate, but biologics and biosimilars represent the fastest-growing segment. The high cost of patented drugs and single-exit pricing policies push strong utilization of generic medicines. High demand for treatments targeting HIV/AIDS, tuberculosis (TB), cancer, and lifestyle-related chronic diseases.

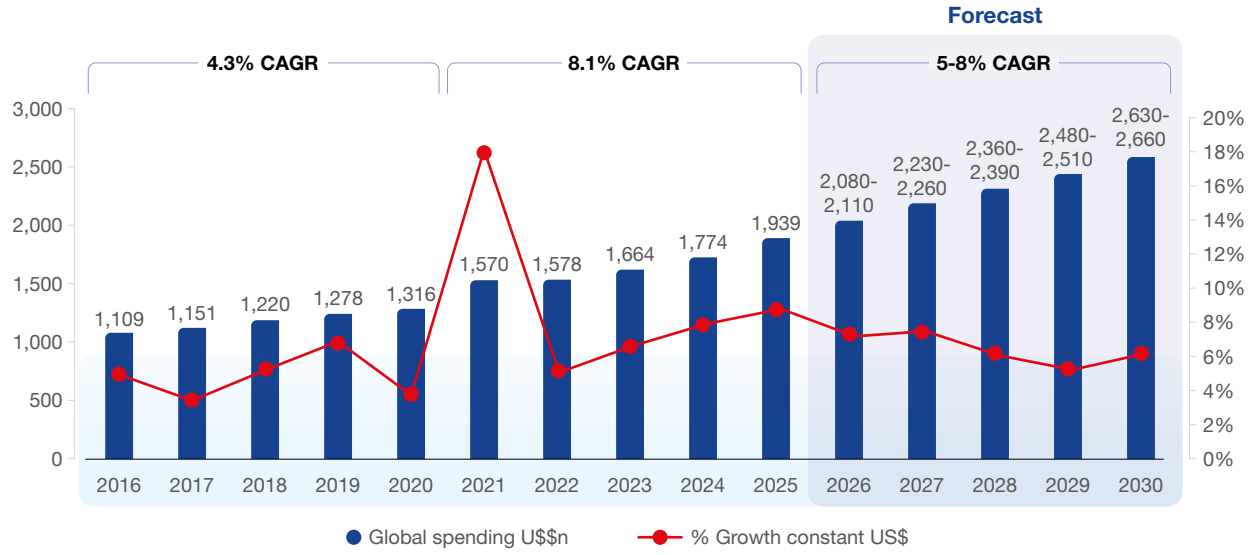
Outlook

Global medicine spending is projected to exceed $2.6 trillion over the next five years, growing at a CAGR of 5-8%. The US is expected to remain the largest contributor to global pharmaceutical expenditure.

*https://www.statista.com/outlook/hmo/pharmaceuticals/south-africa?srsltid=AfmBOooJ8tT0CrFYywXk9BYiPeSkftsgFiKX0N1gkE-qZYnAqQKifbq6#revenue

https://www.drugpatentwatch.com/blog/exploring-the-role-of-south-africa-in-the-global-pharmaceutical-landscape/

Exhibit 15: Global medicine market size and growth including estimated COVID-19 vaccine and therapeutic spending, 2016-2030



Source: IQVIA Market Prognosis, Sep 2025; IQVIA Institute, Dec 2025.

Notes: Global medicine spending is based on IQVIA Market Prognosis with the addition of estimates of COVID vaccine and therapeutic spending which are not otherwise included. Those COVID additions are informed by company financials and published prices and vaccination rates.

Report: Global Medicine Use Trends 2026: Therapy Drivers, Spending Levels, and Policy Evolution. IQVIA Institute for Human Data Science, February 2026.

The industry is focused on the fast-track approvals of novel therapies, especially personalised medicines. In terms of value, the oncology segment is expected to continue its lead in the market share. Further, a high growth rate in obesity and CNS drugs is anticipated to be another driving factor for market expansion.

Key Therapeutic Areas

Oncology

Global oncology therapy has increased by 3% annually since 2019, largely driven by Pharmerging countries (per capita income < $30,000 and > $1Bn five-year pharma spend growth) and continued reliance on traditional chemotherapies. Alongside diabetes and obesity, oncology will drive absolute growth through 2029, with oncology and obesity forecasted to post double-digit CAGR. Global cancer medicine spending reached $252Bn in 2024, the highest among other therapy areas and is expected to reach $441Bn by 2029, with growth expected to moderate over time.

Cardiology[8]

The global cardiovascular drugs market is valued at approximately $155.96 billion in 2025, sustained by a significant patient population requiring long-term management. Increasing incidence of cardiac arrests and arrhythmias continues to expand demand. Growth is fundamentally linked to lifestyle shifts, including rising obesity, sedentary behaviour and changing diets, all contributing to higher cardiovascular disease prevalence. The market is transitioning from traditional blockbuster drugs to diversified, precision-focused portfolios, with increasing investments in, gene regulators, RNA-based therapies, anti-inflammatory agents and integrated cardio-renal-metabolic care. It is projected to reach approximately $214.72 billion by 2034, growing at a steady CAGR of 3.62% from 2025 through 2034.

Diabetology

The global diabetes drugs market increased from $70.40 billion in 2024 to $75.09 billion in 2025, driven by the rising prevalence of diabetes, increasing obesity rates, sedentary lifestyles and expanding treatment access across developing markets. Advancements in treatment modalities and growing awareness around metabolic health continue to support sustained demand for diabetes therapies.

[8] https://www.precedenceresearch.com/cardiovascular-drugs-market

Endocrinology spending, particularly across diabetes and obesity treatment segments, is witnessing significant expansion driven by the rapid uptake of GLP-1 receptor agonists and other innovative therapies. Obesity medicine spending is projected to increase by 201% between 2025 and 2029, supported by broader adoption of novel therapies, expanding clinical indications and improving reimbursement access. Increased usage of these therapies for obesity, cardiovascular risk reduction and sleep apnea management is expected to further strengthen long-term market growth.

The growing adoption of advanced diabetes and obesity therapies remains concentrated in the United States and other developed healthcare markets, where these treatments are increasingly being incorporated into earlier stages of disease management. However, pricing pressures and reimbursement dynamics continue to influence market expansion, as payers and healthcare systems evaluate the long-term affordability of premium therapies. Europe is also expected to witness continued growth, supported by increasing disease prevalence, healthcare access initiatives and ongoing research across injectables, oral therapies and biosimilars.

Indian Pharmaceutical Industry

India has established itself as the 'pharmacy of the world' by supplying affordable, -quality generics and vaccines to developing and regulated markets. It ranks 3rd globally by volume and 11th by value, with the market valued at $ 60 billion in 2025. India has the world's highest number of US-FDA-compliant pharmaceutical manufacturing plants outside of the United States. Its API sector ranks as the third largest globally, supplying 57% of the API listed on the WHO Model List of Essential Medicines.[10]

The domestic industry is experiencing a structural transition toward a value-driven paradigm, expanding its footprint into complex generics, specialty medicines, biosimilars, and high-tech medical devices. Total pharmaceutical exports neared the $30.5 billion threshold, with approximately 50% of shipments directed to highly regulated markets like the United States and Europe.[11]

To reduce import dependence on critical bulk drugs and intermediates, the production capacity for 26 key APIs has been expanded under the central Production Linked Incentive (PLI) framework, attracting substantial domestic capital and generating extensive employment. Along with APIs, the ₹ 15,000 crore outlay programme incentivises the commercialisation of specialized therapeutic formulations, including advanced anti-cancer, anti-diabetic and cardiovascular drugs, moving Indian players up the global value chain.This manufacturing resilience is further augmented by a significant allocation in the Union Budget for the Department of Pharmaceuticals, which includes strategic fiscal outlays to promote centralized bulk drug and medical device parks across multiple states, positioning the country to capture higher-value segments in global healthcare commerce.

India is the largest supplier of generic medicines globally, accounting for-

20%
of global generics supply

8%
of the global API industry

Government Initiatives

Production Linked Incentive Scheme

The PLI schemes by the Department of Pharmaceuticals are critical to boosting domestic manufacturing and reducing import dependence. They have already helped eliminate imports worth ₹ 3,591 Crore across APIs, KSMs and DIs.

PLI Scheme for Pharmaceuticals

Focused on high-value biopharmaceuticals, complex generics and autoimmune medicines, the scheme has driven growth in sales, exports and employment. As of September 2025, investments stood at ₹ 40,890 crore, leading to employment generation of around 97,000 jobs.

Research and Innovation

The Promotion of Research and Innovation in Pharma MedTech (PRIP) scheme aims to transition India from a generics-led to an innovation-driven economy. Seven Centres of Excellence have been established within the National Institutes of Pharmaceutical Education and Research (NIPER) with an expenditure of ₹ 700 crores. The PRIP scheme provides financial support to MSMEs, startups and other industries working towards critical pharmaceutical and medtech research.

Biopharma Strategy for Healthcare Advancement through Knowledge, Technology and Innovation (SHAKTI)

Announced in the Union Budget 2026-27, this scheme has an outlay of ₹ 10,000 crores over the next five years. It aims to position India as a global biologics manufacturing hub, accelerating innovation and advanced biopharma capabilities.

[10] https://indiapharma.ficci.in/

[11] https://www.pib.gov.in/PressReleseDetailm.aspx?PRID=2231234&reg=3&lang=2

Outlook

As the industry evolves, the focus is shifting from cost-driven manufacturing to innovation and R&D-driven growth. Strengthening intellectual property protection and regulatory transparency will be critical to attracting early-stage research and fostering innovation.

India's policy framework continues to support domestic manufacturing of key starting materials (KSMs), drug intermediates and APIs, encouraging greater self-reliance and strengthening the pharmaceutical supply chain. Going forward, the industry is expected to maintain a steady growth trajectory, supported by favourable policies, rising healthcare demand and expanding manufacturing capabilities.

Crop Protection

The Indian crop protection chemicals market is projected to increase from $2.59 billion in 2025 to $2.71 billion in 2026, supported by a gradual shift towards organised players. Growth is driven by precision agriculture adoption, supportive government policies and an increasing focus on sustainable practices.

Primary growth drivers of the industry include Precision and sustainable agriculture: Expanding adoption of precision spraying technologies and a strategic transition toward Integrated Pest Management (IPM) protocols.

Risk mitigation: A heightened focus on managing agro-climatic risks, alongside regulatory tailwinds that favour the adoption of safer, modern chemistries.

Growth Headroom: Relatively low baseline per-hectare consumption signals significant potential for targeted volume and value expansion.

Global Supply Chain Realignment: India's emergence as a preferred international sourcing hub, supported by expanding technical capacities and global businesses diversifying their supply chains.

Structural Labour Dynamics: Acute rural labour shortages are accelerating the transition towards chemical crop protection delivery as a more cost-effective and efficient alternative to manual application.

Production in FY 2025-26 reached 2,61,099 MT (up to February 2026), significantly exceeding the estimated demand of 74,266 MT, of which 42,000 MT is expected to be consumed during the Kharif 2026 season.

Government initiatives such as the $338 million Digital Agriculture Mission are accelerating demand for technologies compatible with drones and soil mapping. At the same time, structural challenges persist, including molecule bans across states, spurious chemicals and stringent residue regulations. Enforcement against counterfeit and substandard pesticides is strengthening, with closer coordination between central and state authorities.

Farmers are gradually shifting from conventional spraying to precision application techniques, improving input efficiency and aligning with environmental standards.

India's foodgrain and oilseed scaling new heights

Particulars	India's growing agriculture production (in million tonnes)			
	Food grain production		Oilseed production	
	Kharif	Rabi	Kharif	Rabi
CY 2021	150.6	160.2	23.7	12.2
CY 2022	155.4	160.3	24.0	14.0
CY 2023	155.7	157.8	26.2	14.2
CY 2024	156.7	157.7	24.1	14.3
CY 2025	166.4	164.5	27.6	14.0

Outlook

The industry is estimated to reach $3.36 billion by 2031, exhibiting a CAGR of 4.45% from 2026 to 2031. Growth will be supported by farmer awareness, improved pest management practices and a stronger push towards biological pesticides and sustainable solutions.

Expanding access to innovative solutions, alongside targeted training and information services, will be essential for increasing productivity and securing food supplies. As global inventories stabilise and cropping cycles normalise, export demand is projected to recover. Indian manufacturers, leveraging their focus on cost-efficiency and portfolio diversification, are well-positioned to benefit from this market rebound. While regulatory scrutiny on residues is expected to intensify, adoption of digital spraying and chemigation systems will enhance efficiency and support long-term sectoral growth.

Company Overview

NATCO Pharma Ltd is an integrated, research-driven pharmaceutical company with over four decades of experience, focused on developing niche and complex molecules. Over the decades it has evolved to become one of the globally diversified pharmaceutical companies. The Company has also diversified into crop health sciences, offering agrochemical solutions in the Indian market. Its operations span Finished Dosage Formulations (FDF), Active Pharmaceutical Ingredients (API) and agrochemicals (technical and formulations). It is highly regarded as one of the pioneers in the Indian oncology therapeutic segment, where the company has launched many first-time generic cancer products. The API business specialises in multi-stage synthesis, high-potency APIs and peptides, largely for captive consumption.

The Company operates nine cutting-edge manufacturing facilities in India—seven for pharmaceuticals and two for agrochemicals, all compliant with various regulatory standards including USFDA, ANVISA, Health Canada and WHO. Formulation plants are situated in Dehradun (Himachal Pradesh), Kothur (Telangana), Nagarjuna Sagar (Telangana), Visakhapatnam (Andhra Pradesh) and Guwahati (Assam); API units are established in Mekaguda (Telangana) and Manali (Tamil Nadu) while the agrochemical production facilities are in Attivaram (Andhra Pradesh). It has a wide range of formulations portfolio includes capsules, injections, tablets and other dosage forms addressing various therapeutic areas such as Oncology, Neurology, Gastroenterology, Cardiology, Diabetes and others.

NATCO has a presence in over 50 countries, with major markets including the US, India, Canada and Brazil, supported by 13 subsidiaries/step-down subsidiaries and an Associate and strategic alliances across regions such as Southeast Asia, LATAM and the Middle East.

A major growth pillar is its R&D, with annual investments of ₹ 4,086 million (FY 2025-26) and a planned allocation of 6-8% of revenues toward future innovation. The Company focuses on low-competition, high-complexity molecules, leveraging organic expansion strategies.

The formulation business, especially exports, accounts for the majority of revenues, while the APIs segment provides backward integration through cutting-edge manufacturing capabilities. In agrochemicals, the Crop Health Sciences division has established a strong position with CTPR & its combination products in India, well supported by the herbicides and growth promoter products in the portfolio.

NATCO is committed to maintain cGMP standards across its facilities and endeavours to keep with the evolving regulatory landscape.

On November 11, 2025, NATCO Pharma South Africa Proprietary Limited ("NPSA") acquired 34.88% of Adcock Ingram Holdings Proprietary Limited ("Adcock Ingram"). Pursuant to this action, Adcock Ingram got delisted. Before delisting, NATCO Pharma Limited and NATCO Pharma (Canada) Inc. already held 0.12% and 0.75% of Adcock Ingram respectively. On a consolidated basis, NATCO ultimately owned 35.75% of Adcock Ingram. Later on in July 2026, NPSA acquired an additional shareholding of 13.25% of Adcock Ingram resulting in ultimate ownership of shareholding of 49% by NATCO in Adcock Ingram on a consolidated basis.

Segment-wise Performance

The Company operates through two primary segments—Pharmaceuticals and Agrochemicals. The pharmaceutical business serves as the main revenue driver, led by export formulations, followed by domestic formulations, Active Pharmaceutical Ingredients (APIs) and Agrochemicals.

The Company has established a notable global footprint, shipping formulation products to over fifty countries. The United States is the largest revenue contributor, followed by India, Canada and Brazil.

The API division is strategic in nature in order to cater to captive consumption and to ensure uninterrupted supply of products. It also sells to global pharmaceutical companies in USA, Brazil, Europe and India.

Leveraging proficiency in organic chemistry and the ability to target niche molecules, the company diversified into the Crop protection business. The product portfolio includes a range of quality pesticides, insecticides, bio-stimulants, and growth promoters designed for the safe and efficient management of pests, insects, diseases and weeds across various crops. The Company remains focused on providing greener and cleaner solutions to farmers to enhance crop outputs.

Pharmaceutical Segment

The domestic pharmaceutical business is organised into four specialised Divisions:

Oncology Pharma Specialty, Cardiology, Diabetology. These divisions are designed to address critical therapeutic areas through innovation, affordability, and quality, thereby improving patient benefits with advanced treatments.

Oncology

As a pioneer in oncology targeted therapy. The portfolio includes treatments for solid tumours and hemato-oncology. The current pipeline features molecules for various malignancies, including liver, lung and breast cancers.

The Company's oncology products are manufactured in state-of-the-art facilities certified by major international regulatory authorities. This commitment to quality and reliability has earned the trust of oncologists, leading medical centres and the broader healthcare community.

Pharma Specialty

Under pharma specialty two divisions have been created. Dynami and Hygeia.

Dynami

Dynami business unit focuses on the anti-infectives segment, covering a comprehensive portfolio of Antibacterials, Antifungals, Antivirals.

The division engages with key specialists, including Infectious Disease experts, Intensivists, Pulmonologists, and Bone Marrow Transplant (BMT) physicians.

Natco is actively investing in building a future-ready portfolio to address emerging challenges in infectious diseases and antimicrobial resistance.

Hygeia

The division also caters to multiple specialties, including Gastroenterology, Hepatology, Rheumatology, Orthopaedics, Paediatric Neurology and critical care.

Key milestones in FY 25-26 include launch of Risdiplam for Spinal Muscular Atrophy (SMA), significantly improving medicine access in India.

The orthopaedics portfolio includes leading oral and injectable bisphosphonate therapies, which were first-to-market in their categories. In gastro-hepatology, NATCO is a dominant player in Hepatitis-B and Hepatitis-C treatments in India, with the Velpanat brand (Sofosbuvir and combination) being a high-performing product.

Cardiology

Established in 2017, the Cardiology division focuses on making specialty cardiovascular therapies widely accessible and affordable. The portfolio includes Antihypertensives, Antiplatelets, Novel Oral Anticoagulants

NATCO has achieved first-to-market status for key molecules such as Apixaban, Dabigatran. The division continues to expand its offerings with a focus on innovative and cost-effective treatment options for cardiovascular diseases.

Diabetology

NATCO's Diabetology segment offers a comprehensive range of therapies for diabetes management, including DPP-4 inhibitors, SGLT2 inhibitors. The Company is the first Indian generic manufacturer to launch Semaglutide injection for Type 2 Diabetes Mellitus, available in both injection and pen delivery formats. Natco remains committed to strengthening this segment through development of next-generation therapies, with a focus on patient-centric innovation

NATCO Pharma's India business is anchored in Therapeutic leadership across specialty segments, First-to-market innovations, High-quality manufacturing standards, Improved accessibility and affordability of treatment, these strategic initiatives reinforce Natco's commitment to advancing healthcare outcomes and addressing critical patient needs across India.

Export Formulations

NATCO has nearly three decades of experience in targeting niche and complex molecules for export markets. This is supported by a global filing strategy that has delivered significant success.

US Market

US Business is one of the strong pillars for the company. With having a front-end access to the market the company also follows a partnership-driven business model in the US for some of the high value or complex products where It leverages its internal research, development and manufacturing strengths, while partners handle litigation and distribution. In FY26, revenue from the US business amounted to INR 23,810 million, compared to INR 31,487 million in FY25.

- The Company has 45+ approved Abbreviated New Drug Applications (ANDA) and 25+ Para IVs in the pipeline with 8 tentative approvals
- During the year, the company submitted 4 ANDAs and received approval for 5 ANDAs (four tentative approvals and one final approval) from the USFDA.

Canada Market

NATCO Pharma Canada Inc., a wholly owned subsidiary founded in 2012, is headquartered in Toronto. It is supported by local quality assurance, regulatory, and sales teams.

- Strong portfolio with 20+ products and pipeline of 20+ pending for launch, including Oncology, Anti-viral, Cardiovascular and CNS therapies
- Amongst top 10 generic companies by sales revenue in Canada
- Highest market share for Lenalidomide and Oseltamivir
- In FY26, revenue was INR 2,517 million.
- The subsidiary has more than 20 products approved for the market and 20+ filings in the pipeline. The goal for the subsidiary is to achieve six to eight regulatory filings annually.

Brazil Market

Natcofarma Brasil supplies generic medications for oncology, hematology, cardiology, neurology, and primary care.

- Continues to be the single source for Everolimus for the fourth consecutive year
- Launched Carfilzomib and Eltrombopag
- Oseltamivir continues to perform well
- Launched Apixaban in Brazil, amongst the first to launch, through own sales and out-licensing with the highest market share
- Out-licensing/ partnering and In-licensing to capture majority market share.
- In FY26, revenue was 2,875 million.
- The subsidiary continues to file a significant number of products in areas with limited competition.

Asia and other Emerging Markets

NATCO has received approvals from the Health Sciences Authority (HSA) in Singapore for niche oncology formulations. In China, the Company has seen success with Oseltamivir capsules. It has also entered Saudi Arabia and Algeria through government tenders and established a subsidiary in Colombia. Additional presence is maintained in Thailand, Vietnam, Philippines, Indonesia and Australia.

In Rest-of-World (RoW) markets, the portfolio focuses on hepatitis C and anti-cancer formulations, with successful commercialization in countries like Vietnam, Mongolia, Myanmar and Venezuela.

- Expanding our footprint in Middle East and North Africa (MENA)
- Participating and winning tenders in Saudi Arabia, Algeria and Egypt and Won tenders in Hong Kong, Ukraine, Algeria, and Thailand
- Launched Oseltamivir capsules in China - NATCO's first product launch in the territory; launched two oncology products Abiraterone & Gefitinib tablets in China
- Acquired significant market share for Tenofovir Alafenamide Fumarate in Thailand, Indonesia & Vietnam
- Gaining market share in branded generics in oncology by making available basket of products.

APIs

NATCO has developed and commercialised niche APIs for over two decades. The portfolio now covers over fifty Drug Master Files (DMF) and includes treatments for the central nervous system, pain management and cardiovascular care, in addition to its original focus on oncology.

The Company operates two state-of-the-art API manufacturing facilities. Over half of the campus space at these sites is preserved as a Green Belt to support environmental health and safety. These plants have received regulatory clearances from

- U.S. Food and Drug Administration (USFDA)
- Australia's Therapeutic Goods Administration (TGA)
- Hamburg Health Authority (Germany)
- Japan's PMDA
- South Korea's KFDA
- Mexico's Cofepris
- European Directorate for the Quality of Medicines (EDQM)

Crop Health Sciences Division (CHS)

Established in 2019 , the CHS division leverages the Company's techno-legal capabilities and organic chemistry skills. It focuses on providing innovative, green chemistry-based pest and biological crop solutions to help farmers achieve higher yields.

NATCO CHS pioneered the launch of the first pheromone-based mating disrupting product for managing pink bollworm in cotton crops. Moving forward, the division will expand its portfolio to include a broader range of pesticides, insecticides and bio-stimulants for various crops and markets.

Financial Highlights

Metric	FY 2025	FY 2026
Total Revenue (INR million)	47,840	43,759
EBITDA (INR million)	25,505	17,341
EBITDA Margin (%)	53.3%	39.6%
Profit Before Tax (PBT) (Before share of profit of Associate) (INR million)	22,914	14,908
Profit After Tax (PAT) (After share of profit of Associate) (INR million)	18,834	14,185
PAT Margin (After share of profit of associate) (%)	39.4%	32.4%
Reported EPS (Basic and Diluted) (INR)	105.26	79.20
Networth (INR million)	76,070	92,211
Return on Equity (%)	24.7%	15.4%
Return on Capital Employed (%)	30.1%	16.3%

SCOT Analysis

Strengths

- **Strategic Focus via Demerger:** The board-approved demerger of the agrochemicals business (effective October 2026) positions the Company as a pure-play pharmaceutical entity, enabling sharper strategic focus and independent capital allocation. Also increases management bandwidth and focus on the agro business thereby unlocking shareholder value.
- **Oncology and Specialty Dominance:** Strong presence in high-barrier complex generics, with a robust pipeline including GLP-1 agonists (generic Wegovy/Ozempic) and over 20 First-to-File (FTF) Para IV opportunities in the US.
- **Expanding Global Footprint** Acquisition of 49% stake in Adcock Ingram in South Africa.
- **Elevated R&D and Compliance Costs:** Ongoing investment in bioequivalence studies and R&D continue to pressure short-term margins.
- **Domestic Pricing Pressure:** The oncology portfolio remains exposed to price control regulations in India.

Challenges

- Pressure on prices due to government measures to contain drug costs potentially affecting profitability margins
- High competitiveness in the generic pharma business demanding relentless innovation to stay ahead in the market.
- Regulatory needs to comply across several jurisdictions introducing operational complexity and cost pressures

Opportunities

- **New Trade Partnerships**
  - EU market access (~ $ 572.3 billion) opens significant opportunities across pharmaceuticals and medical technologies.
  - **India-UK Comprehensive Economic and Trade Agreement (CETA)** (July 2025) Zero-duty access across 56 pharmaceutical tariff lines, enhancing competitiveness in a key export market.
  - India-New Zealand FTA (December 2025) Zero-duty access across ~90 tariff lines (earlier up to 5%).
- **Government-Led Innovation:** The Biopharma SHAKTI scheme (₹10,000 crore) under Union Budget 2026-27 creates significant funding opportunities for biosimilars and advanced biologics.
- **Shift to Value-Driven Offerings:** Industry transition from volume-led generics to innovation-driven therapies opens up new growth avenues in complex and specialty segments.
- **Innovative Therapy Areas:** Progress in cell and gene therapy, including developments like indigenous bispecific third-generation CAR-T cells, strengthens India's innovation ecosystem.
- Backed by US$2 million in funding from NATCO Pharma, the Company is partnering with CMC Vellore for early-phase clinical trials. This initiative is supported by a robust ecosystem, including CSIR, the Regional Centre for Biotechnology and the Institute of Genomics and Integrative Biology.
- **US Biosecure Act:** As US firms diversify away from Chinese CDMOs, Indian manufacturers like NATCO stand to benefit from increased demand for specialty contract manufacturing.

Threats

- **US Tariffs:** Proposed tariffs up to 100% on patented medicines and APIs (April 2026) pose long-term risks. While generics (100% of NATCO's US exports) remain exempt, a one-year review clause introduces policy uncertainty.
- **Global Supply Chain Volatility:** Continued geopolitical disruptions (Middle East and Red Sea) continue to impact freight costs and logistics reliability, posing risks to API supply chains and just-in-time delivery models.

Risk Management

Please see page no: 36 for details

Cautionary Statement

The statement made in this section describes our objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

Board's Report

The Board takes pleasure in presenting the 43rd Annual Report of the Company along with the Audited Financial Statements and other reports for the Financial Year ended 31st March, 2026.

COMPANY OVERVIEW

NATCO has two business segments, Pharmaceuticals and Agrochemicals. Pharmaceuticals constitute a major portion of the revenue, where export formulations contribute a major portion of the pharmaceutical's revenue followed by API. Export formulations business focuses on high entry barrier and complex products and comprises of customers in US, Canada, Brazil, Asia-Pacific and other countries. API business is backward integrated making the business strategic in nature by serving its captive requirements. Capabilities in APIs include complex multi-step synthesis & scale-up, advanced synthetic/ separation technologies, containment facility for handling high potency APIs, synthesis of peptide (solid phase pharmaceuticals, oligo nucleotide pharmaceuticals etc., and a well-established process safety engineering lab. Our R&D capabilities are demonstrated by complex and niche product filings in formulations and API segments. Agrochemicals business segment is carried under Crop Health Sciences division of the Company. It has successfully launched broad-spectrum insecticide Chlorantraniliprole (CTPR) and its combination products in India across key agrarian states. It is focused on establishing a product portfolio through crop phenology analysis and also explore export opportunities.

FINANCIAL SUMMARY

(₹ in million)

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year ended 31st March 2026	Year ended 31st March 2025	Year ended 31st March 2026	Year ended 31st March 2025
Total Revenue /Income	38,757	44,158	43,759	47,840
Gross profit before interest, depreciation, amortisation and impairment	15,860	24,656	17,341	25,505
Finance Cost	323	196	367	239
Profit before depreciation amortisation and impairment - (Cash Profit)	15,537	24,460	16,974	25,266
Depreciation amortisation and impairment	1,896	2,200	2,066	2,352
Profit before Tax (PBT) (Before share of profit of Associate)	13,641	22,260	14,908	22,914
Provision for Tax –Current	2,684	4,075	3,035	4,376
Provision for Tax –Deferred	-1,858	-319	-1,846	-296
Profit After Tax (PAT) (Before share of profit of Associate)	12,815	18,504	13,719	18,834
Share of profit of associated Companies, net of tax	-	-	466	-
Profit for the year attributable to the shareholders of the company	12,815	18,504	14,185	18,854
Other comprehensive income (including share of OCI of Associate), net of tax	268	-13	2,874	-240
Total comprehensive income for the year	13,083	18,491	17,059	18,594

The details of the Company's operations have been further discussed in detail in the Management Discussion and Analysis Report.

DIVIDEND

The Company declared three interim dividends for the FY 2025-26, the details of which are as follows:

S. No.	Date of Board Meeting	Date of payment	Interim dividend declared on per equity share of face value ₹ 2/- each (amount in ₹)
1.	12th August, 2025	26th August, 2025	2.00
2.	14th November, 2025	28th November, 2025	1.50
3.	12th February, 2026	26th February, 2026	1.50
	Total		**5.00**

The total dividend pay-out amounted to ₹ 895.55 million resulting in a pay-out of 6.99 % of the standalone profit after tax of the Company. The three Interim Dividends have been paid to all eligible shareholders. Accordingly, your Directors recommend that the above three interim dividends be treated as the final dividend of the Company for the Financial Year 2025-26. The Dividend Distribution Policy is available on the website of the Company at chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://admin.natcopharma.co.in/wp-content/uploads/2025/05/Dividend-Distribution-Policy.pdf.

TRANSFER TO RESERVES

The Company has not transferred any amount to the general reserve for the financial year ended 31st March, 2026.

SHARE CAPITAL

The issued and subscribed share capital of the Company as on 31st March, 2026, stood at ₹ 358 million divided into 17,91,09,870 equity shares of ₹ 2/- each as against ₹ 358 million divided into 17,91,09,870 equity shares of ₹ 2/- each as on 31st March, 2025.

During the year under review, the Company has increased the Authorised Share Capital from ₹40,00,00,000 to ₹45,00,00,000 divided into 22,50,00,000 equity shares of ₹2/- (Rupees two only) which was approved by the members of the Company at the Annual General Meeting held on 25th September, 2025.

Further during the year under review, there is no change in the Paid-up Share Capital of the Company.

DEMERGER

The Company is inter alia engaged in two business verticals, namely: the Pharmaceutical Undertaking and the Agrochemicals Undertaking. The Company believe that the risk and reward associated with each of the aforesaid business verticals are different. In order to segregate the Agrochemicals Undertaking with that of Pharmaceutical Undertaking, it is intended to demerge the Agrochemicals Undertaking on a going concern basis into the Wholly owned Subsidiary of the Company i.e., Natco Crop Health Sciences Limited (NCHSL). The Company intends to retain the current shareholding in NCHSL in order to continue to offer support to the Agrochemicals Business which is still at its early growth stages and help in monitoring the progress and providing strategic support.

The demerger, transfer and vesting of the Agrochemicals Undertaking on a going concern basis to NCHSL would result in better and efficient control by the management for the segregated businesses and promote their growth. Further, it would also result in the following benefits:

- The demerger would facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the Agrochemicals Undertaking in the Resulting Company (i.e.. NCHSL) and the Pharmaceutical Undertaking in the Demerged Company. The demerger would thus provide a platform for having a concentrated approach towards development of the respective business verticals.
- Focused business approach for the maximization of benefits to all the shareholders and opportunities for growth.
- Operational rationalization, organization efficiency and optimum utilization of various resources
- Ability to leverage financial and operational resources of each business.
- Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.
- The proposed demerger will enhance value for shareholders and allow a focused strategy in operation of the respective business verticals which would be in the best interest of the Demerged Company and the Resulting Company, shareholders, creditors and all persons connected therewith.
- The segregation is also expected to unlock the value of the business verticals of the Demerged Company.

Upon the Scheme becoming effective and in consideration of the transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company in terms of the Scheme, the Resulting Company shall, issue and allot equity shares, to all the members of the Demerged Company, holding fully paid-up equity shares on the Record Date in the following manner:

"1 (One) fully paid-up Equity Share of INR 2/- (Rupee Two only) each of the Resulting Company shall be issued and allotted for every 1 (One) fully paid-up equity share of INR 2/- (Rupee Two only) each held in NATCO Pharma Limited".

DEPOSITS

During Financial Year 2025-26, the Company did not accept any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 and therefore no amount of principal or interest was outstanding, as on the date of balance sheet.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company or any of its Subsidiaries.

SUBSIDIARIES/ ASSOCIATE(S)

The Company has thirteen (13) subsidiaries including (2) step-down subsidiaries and one (1) associate Company as on 31st March, 2026. The consolidated financial statement of the Company and all its subsidiaries prepared under Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 form part of the annual report. During the year under review, the Company has incorporated/acquired the following subsidiaries or associate Companie(s):

1. Incorporated a Wholly owned subsidiary under the name NATCO Pharma South Africa Proprietary Limited in South Africa, which was approved by the Board at its meeting held on 23rd July, 2025.

2. Acquired 34.88% shareholding in Adcock Ingram Holdings Proprietary Limited in South Africa as associate Company, which was approved by the Board at its meeting held on 23rd July, 2025.

3. Incorporated a Wholly owned subsidiary under the name Natco Crop Health Sciences Limited in India, which was approved by the Board at its meeting held on 14th November, 2025.

4. NATCO Pharma Asia Pte. Ltd., wholly owned subsidiary of the Company acquired 49% in PT. Natco Lotus Pharma, Indonesia. Hence, PT. Natco Lotus Pharma became wholly owned subsidiary of the Company.

The Company has not acquired any other Subsidiary/Associate Company nor any of the existing Subsidiary Company(s) are ceased to become Subsidiary of the Company during the Financial Year 2025-26.

However, the Board of Directors of the Company at their meeting(s) approved the following:

1. Liquidation of wholly owned subsidiary i.e., Time Cap Overseas Limited, Mauritius and directly hold the investment in NatcoFarma Do Brasil Ltda. at their meeting held on 23rd July, 2025.

2. Incorporation of wholly owned subsidiary in Chile at their meeting held on 12th February, 2026.

3. Incorporation of wholly owned subsidiary in Nigeria at their meeting held on 24th March, 2026.

4. Liquidation of Natco Pharma Australia Pty. Ltd. Wholly Owned Subsidiary of the Company at their meeting held on 24th March, 2026.

Further, the Company has increased its stake in Adcock Ingram Holdings Proprietary Limited, Associate Company to 49%, through NATCO Pharma South Africa Proprietary Limited, wholly owned subsidiary, which was approved by the Board at its meeting held on 8th July, 2026.

Further, a Statement containing the salient features of the Financial Statements of the Subsidiaries and associate in the prescribed Form AOC-1, is attached as "**Annexure - I**" to this Board's Report.

This Statement also provides the details of the performance and financial position of each Subsidiary.

In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements and related information of the Subsidiaries, where applicable, will be available for inspection during regular business hours i.e., from 9:00 a.m. to 5:30 p.m. at the Company's registered office in Hyderabad, Telangana, India.

MATERIAL SUBSIDIARIES

As per Regulation 16(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a "material subsidiary" to mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. None of the Subsidiary Companies are material subsidiary to the Company based on the turnover or net worth as on 31st March, 2026.

In addition to the above, Regulation 24 of the Listing Regulations requires that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For the purpose of this Regulation, material subsidiary means a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Accordingly, the said provision of the appointment of an Independent Director of the Company in the Board of the material subsidiary Company is not applicable, since, the prescribed limits are not exceeded by the Company.

The other requirements of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company provides investments, loans and guarantees to its subsidiaries /other Companies for its business purpose.

Details of investments, loans and guarantees covered under Section 186 of the Companies Act, 2013, form part of the notes to the financial statements provided in this Annual Report.

CORPORATE GOVERNANCE AND ADDITIONAL SHAREHOLDERS INFORMATION

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a detailed report on the Corporate Governance systems and practices of the Company is given under Corporate Governance Report which is part of this Annual Report.

A certificate from CS Durba Renuka, Company Secretary in Practice (C.P. No. 3460) on the compliance with the conditions of Corporate Governance is part of the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed report on the Management Discussion and Analysis is provided as a separate chapter in this Annual Report.

BOARD OF DIRECTORS AND KMPs

During the year under review, the Board has re-appointed Sri V.C. Nannapaneni, Sri Rajeev Nannapaneni, Sri P.S.R.K. Prasad and Dr. D. Linga Rao as Directors of the Company for a period of 1 year w.e.f. April 1, 2026.

In accordance with the provisions of the Companies Act, 2013, Sri P.S.R.K. Prasad (DIN: 07011140) Director is liable to retire by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting of the Company.

Sri S.V.V.N. Appa Rao, Chief Financial Officer was superannuated from the closure of business hours on 12th February, 2026 and Sri Amit Parekh was appointed as Chief Financial Officer of the Company w.e.f.13th February, 2026

During the year under review, there is no change in the composition of the Board of Directors of the Company.

BOARD EVALUATION

A formal annual evaluation has been made by the Board of its own performance, Chairman of the Board, its Committee(s) and individual Director(s). The performance evaluation has been done by the entire Board of Directors, excluding the Director being evaluated. Various evaluation techniques are used to assess the performance of the Directors. The Directors have participated in this evaluation process. The Independent Directors in their separate meeting have also evaluated the performance of the Chairman of the Company, Non-Independent Directors and the Board as a whole.

APPOINTMENT OF DIRECTOR(S), KMPS AND REMUNERATION POLICY

The assessment and appointment of members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The Independent Board member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In accordance with Section 178(3) of the Companies Act, 2013 and on recommendations of Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Managerial Personnel (KMPs) and Senior Management which is available on the website of the Company. https://admin.natcopharma.co.in/wp-content/uploads/2025/05/Remuneration-Policy.pdf

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

LEAD INDEPENDENT DIRECTOR

The Board of Directors of the Company has appointed Sri D. Vijaya Bhaskar (DIN:07158951), Chairperson of Independent Directors meeting as lead Independent Director to ensure robust independent leadership of the Board.

The role of lead Independent Director is to provide leadership to the Independent Directors, liaises on behalf of the Independent Directors and ensures the Board's effectiveness in maintaining high-quality governance of the organization and effective functioning of the Board.

REGISTRATION OF INDEPENDENT DIRECTORS IN INDEPENDENT DIRECTOR'S DATABANK

All the Independent Directors of the Company have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs.

CONFIRMATION FROM THE BOARD

All the Independent Directors of the Company have given their respective declaration/disclosure(s) under Section

149(7) of the Act and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have confirmed that they fulfil the independence criteria as specified under Section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declaration/ disclosure(s) on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

OPINION OF THE BOARD

The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possesses requisite expertise, experience and qualifications to discharge the assigned duties and responsibilities as mandated by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 diligently.

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES AND OTHER COMMITTEES

The Board currently has nine (9) Committees, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Compensation Committee, Corporate Social Responsibility Committee, Risk Management Committee, Committee Dealing with Land Property, Buyback Committee and Environmental, Social and Governance Committee.

A detailed update on the Board, its composition, detailed charter including terms of reference of various Board Committees, number of Board and Committee meetings held during the Financial Year 2025-26 and attendance of the Directors is provided in the Corporate Governance Report, which forms part of the Annual report.

All the recommendations made by the Committee(s) of the Board including the Audit Committee were accepted by the Board.

MEETING OF INDEPENDENT DIRECTORS

Separate meetings of the Independent Directors were held on 12th February, 2026 and 24th March, 2026, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non- Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties and the Independent Directors have recommended the Scheme of Arrangement (De-merger) to the Board of Directors respectively.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

BUSINESS RISK MANAGEMENT

The Company has a risk management mechanism in place to manage uncertainties through identification, analysis, assessment, implementing and monitoring to reduce the impact of risks to the business which is discussed in detail in the Management Discussion and Analysis section of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF FINANCIAL YEAR AND DATE OF REPORT

No material changes and commitments have occurred after the close of the financial year till the date of this report which may affect the financial position of the Company except the following:

The Company has acquired an additional stake of 13.25% in Adcock Ingram Holdings Proprietary Limited, thereby increasing the shareholding from 35.75% to 49%.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Company has adopted the Business Responsibility and Sustainability Report (BRSR) in the format specified by SEBI for Financial Year 2025-26. The BRSR is forming part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate the Internal Financial Controls commensurate with the business operations of the Company which are operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosure.

INSURANCE

The Company's plant, property, equipment and stocks are adequately insured against all major risks. The Company also has appropriate liability insurance covers particularly for product liability and clinical trials. The Company has also taken Director's and Officer's Liability Policy to provide coverage against the liabilities arising on them.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013 in relation to Financial Statements of the Company for the Financial Year ended 31st March, 2026, the Board of Directors state that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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 annual accounts on a going concern basis;

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

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

RELATED PARTY TRANSACTIONS

In accordance with Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract(s) or arrangement(s) entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is attached as "**Annexure - II**" to this Board's Report.

The details of related party disclosures form part of the notes to the Financial Statements provided in this Annual Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company believes in upholding professional integrity and ethical behaviour in the conduct of its business. To uphold and promote these standards, the Company has a Vigil Mechanism / Whistle Blower Policy which serves as a mechanism for its Director(s) and employee(s) to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal. The policy also provides employee(s) access to the Chairperson of the Audit Committee under certain circumstances. The details of the procedures are also available on the website of the Company https://admin.natcopharma.co.in/wp-content/uploads/2025/05/whistle-blower-policy-1.pdf

A brief note on the Whistle Blower Policy is also provided in the Report on Corporate Governance, which forms part of this Annual Report.

INTERNAL COMPLAINTS COMMITTEE

The Company has Internal Complaints Committees in place in all the units in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A brief note on the same is provided in the Report on Corporate Governance, which forms part of this Annual Report.

AUDITORS

STATUTORY AUDITORS

The members of the Company at their Annual General Meeting held on 30th September, 2024 appointed M/s. B S R and Co (ICAI FRN: 128510W) as the Statutory Auditors of the Company to hold the office for a period of five (5) years i.e., from the conclusion of 41st Annual General Meeting (AGM) held for the Financial year 2023-24 till the conclusion of the 46th AGM to be held for the Financial Year 2028-29.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A of SEBI (LODR) Regulations, 2015 and all other applicable provisions, if any including any statutory modification or re-enactment thereof, upon the recommendation of the Audit Committee, the Board has re-appointed CS B. Kiran Kumar (CP No. 15876) Proprietor, M/s. B K & Associates, a Practicing Company Secretary as Secretarial Auditor of the Company to hold the office for a period of five (5) years i.e., from the financial year 2025-26 to 2029-2030, which was approved by the shareholders of the Company at the Annual General Meeting held on 25th September, 2025.

CS B. Kiran Kumar with Certificate of Practice (CP) No. 15876, Proprietor, M/s. B K & Associates, a Practicing Company Secretary conducted the Secretarial Audit of the Company for Financial Year 2025-26 and the Secretarial Audit Report in Form No. MR-3 is attached as "**Annexure - III**" to this Board's Report.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the

Company maintains the Cost Audit records which are required to be maintained.

The Board on the recommendation of the Audit Committee, re-appointed M/s. S.S. Zanwar & Associates (Firm Registration No.100283) as Cost Auditors of the Company for Financial year 2025-26. The provisions also require that the remuneration of the Cost Auditors be ratified by the shareholders and accordingly, the same has been ratified by the Shareholders at the Annual General Meeting held on 25th September, 2025.

Further, the Board on the recommendation of the Audit Committee, re-appointed M/s. S.S. Zanwar & Associates (Firm Registration No.100283) as Cost Auditors of the Company for Financial year 2026-27, The provisions also require that the remuneration of the Cost Auditors be ratified by the shareholders and accordingly, the same is put forward to the shareholders for their ratification in the ensuing Annual General Meeting.

The Cost Audit report for the Financial Year 2025-26 will be filed with the Central Government within the stipulated timeline and the relevant Cost Audit report for FY 2024-25 was filed within the due date to the Central Government.

INTERNAL AUDITORS

The Board based on the recommendations of the Audit Committee has re-appointed M/s. Grant Thornton Bharat LLP as Internal Auditors of the Company for FY 2025-26 and the Internal Auditors have reported the Internal Audit findings to the Audit Committee and the Board of Directors of the Company.

AUDITORS' QUALIFICATIONS/ RESERVATIONS/ ADVERSE REMARKS/ FRAUDS REPORTED

There are no Auditors' Qualifications or reservations or adverse remarks on the Financial Statements of the Company. The Auditors have not reported any frauds to the Audit Committee as prescribed under Section 143(12) of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/REGULATORS

During Financial year 2025-26, there were no significant and/or material orders, passed by any Court or Regulator or Tribunal, which may impact the going concern status or the Company's operations in future.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Board formulated a Corporate Social Responsibility (CSR) Policy which is in full force and operation and is subject to monitoring by the CSR Committee and Board of Directors from time to time.

The Annual Report on CSR activities of the Company is attached as "**Annexure – IV**" and Impact Assessment report issued by M/s. Deloitte Touche Tohmatsu India LLP is available on the website of the Company at https://www.natcopharma.co.in/investor-relations/annual-reports

TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND AMOUNTS AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124(5) & (6) of the Companies Act, 2013, the declared dividends which remained unpaid or unclaimed for a period of seven years and respective shares have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the said Act the details of which are disclosed in the Corporate Governance Report.

CREDIT RATING

The Company's credit ratings from ICRA on long term borrowings is "AA" and on short term borrowings is "A1+".

PARTICULARS OF EMPLOYEES

The information as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as "**Annexure-V**" to this Board's Report.

The information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in an Annexure forming part of this Report.

In terms of the second proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. The said annexure is open for inspection at the Registered Office of the Company and any member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

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

The details of Energy Conservation, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as "**Annexure-VI**" to this Board's Report.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2026 is available on the Company's website on https://www.natcopharma.co.in/investor-relations/annual-reports

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

GREEN INITIATIVE

To preserve environment, the Company has undertaken number of green initiatives which not only reduce burden on environment but also ensure secured dissemination of information. Such initiatives include energy saving, water conservation and usage of electronic mode in internal processes and control, statutory and other requirement(s).

OTHER DISCLOSURE AND AFFIRMATIONS

1. There were no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016, before the National Company Law Tribunal or any other court.

2. There was no instance of one-time settlement with any bank or financial institution.

ACKNOWLEDGEMENTS

The Board wish to place on record their appreciation to shareholders, Government Authorities, banks, business partners, medical practitioners and other stakeholders for the assistance, co-operation and encouragement extended to the Company. The Board also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Board look forward to their continued unstinted support in future also.

For and on behalf of the Board of Directors
NATCO Pharma Limited

V.C. Nannapaneni
Chairman & Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman & Chief Executive Officer
DIN: 00183872

Place: Hyderabad
Date: August 14, 2026

Annexure –I to the Boards' Report

Form AOC – 1

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

Part A Subsidiaries

Statement containing salient features of the financial statement of subsidiaries:

Subsidiary Company Name	NATCO Pharma Inc.	NATCO Pharma USA LLC*	Time Cap Overseas Limited	NatcoFarma do Brasil Ltda.*	NATCO Pharma (Canada) Inc.	NATCO Pharma Asia Pte. Ltd.	NATCO Pharma Australia Pty Ltd.	NATCO Lifesciences Philippines Inc.	NATCO Pharma UK Limited	PT. NATCO Lotus Farma	NATCO Pharma COLOMBIA S.A.S.	Natco Pharma South Africa Proprietary Limited	Natco Crop Health Sciences Limited
The date of Incorporation/ The date since when subsidiary was acquired	Oct 10, 2006	Jan 01, 2022	Nov 8, 2010	Jan 27, 2011	Nov 7, 2012	Dec 10, 2012	Sep 01, 2014	Mar 22, 2018	Sep 04, 2023	Aug 28, 2023	Aug 15, 2023	July 31, 2025	December 26, 2025
Share Capital	2,698.29	2,411.21	1,706.24	1,836.34	231.54	101.88	209.99	72.76	125.73	148.34	8.64	19,968.26	89.55
Reserves & Surplus	292.66	-1,303.40	-135.25	166.55	4,553.29	126.46	-205.95	-5.40	-37.83	-71.90	-8.02	360.31	-0.47
Total Assets	3,581.35	1,698.57	2,184.45	3,162.94	5,880.92	320.27	0.76	131.05	106.67	103.83	1.38	21,712.86	89.16
Total Liabilities	590.40	590.77	613.45	1,160.06	1,096.09	91.92	-3.28	63.68	18.77	27.39	0.76	1384.29	0.08
Investments	-	-	-	-	1,867.00	-	-	-	-	-	-	-	-
Turnover	-	2,057.52	-	2,449.54	2,252.25	139.99	0.00	141.43	-	69.71	-	359.71	0.50
Profit before taxation	-0.64	-0.93	-1.50	803.88	705.11	14.87	-1.53	1.04	3.37	-31.27	-7.40	360.53	-0.47
Provision for taxation	-0.01	-	-	-233.37	-170.73	3.27	-	-2.67	-	0.29	-	-0.22	-
Profit after taxation	-0.65	-0.93	-1.50	570.52	534.38	18.13	-1.53	-1.63	3.37	-30.98	-7.40	360.31	-0.47
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
Reporting Currency	USD	USD	USD	BRL	CAD	SGD	AUD	PHP	GBP	IDR	COP	ZAR	Rs
Closing exchange rate	93.77	93.77	93.77	17.97	67.17	72.75	64.35	1.55	123.82	0.01	0.03	5.49	NA
Average exchange rate	88.35	88.35	88.35	16.24	63.94	68.55	58.48	1.53	118.44	0.01	0.02	5.30	NA
% of Shareholding	100%	100%	100%	100%	100%	100%**	100%	100%**	100%	100%	100%	100%	100%

Note:

Turnover includes Other revenue and Other Operating Revenue.

Profit/(Loss) figures excluding Other Comprehensive Income.

Total Assets includes investment in subsidiary companies and other investments shown separately.

Investments shown above does not include investment in subsidiary companies

* Stepdown subsidiary company

** Includes the shares held by the nominee shareholders of the subsidiaries on behalf of the Company

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part B Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2O13 related to Associate Companies

Name of Associates	Adcock Ingram Holdings ProprietaryLimited
1. Latest audited Balance Sheet Date	31-03-2026
2. Date on which the Associate was associated or acquired	11-11-2025
3. Shares of Associate held by the company on the year end No.	51,643,319
Amount of Investment in Associates	₹ 22,757 Millions*
Extent of Holding (in percentage)	35.75%
4. Description of how there is significant influence	Significant influence is demonstrated by holding 20% or more of the voting power of the investee.
5. Reason why the associate Is not consolidated.	Not applicable
6. Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 11,442 Millions
7. Profit or Loss for the period	₹ 1894 Millions
i. Considered in Consolidation	₹ 677 Millions**
ii. Not Considered in Consolidation	₹ 1217 Millions

1. Names of associates which are yet to commence operations: NIL
2. Names of associates which have been liquidated or sold during the year: NIL

* including transaction costs

** Before fair value adjustment

Annexure –II to the Boards' Report

Form No. AOC – 2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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. There are no contracts/ arrangements/ transactions entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm's length basis.

2. The following are the contracts/arrangements/transactions entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are at arm's length basis.

S. No.	Name(s) of the related party And nature of relationship	Nature of Contract / arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (₹ in million)	Date(s) of approval/ ratification by the Board, if any	Amount paid as advances, if any
1.	Sri. V.C. Nannapaneni, Chairman & Managing Director	Renewal of lease agreement	2 years	To locate Mumbai Administrative, Marketing and Distribution office of the Company. ₹ 3.60 million p.a.	12th February, 2025	Nil
2.	Sri. Rajeev Nannapaneni, Vice Chairman & CEO	Renewal of lease agreement	2 years	To locate Chennai Administrative, Marketing and Distribution Office of the Company. ₹ 3.60 million p.a.	12th February, 2025	Nil
3.	M/s. Time Cap Pharma Labs Private Limited, Shareholding of Sri V.C. Nannapaneni and Sri Rajeev Nannapaneni	Renewal of lease agreement	2 years	To locate Delhi Administrative, Marketing and Distribution Office of the Company ₹ 3.60 million p.a.	12th February, 2025	Nil
4.	M/s. Time Cap Pharma Labs Private Limited, Shareholding of Sri V.C. Nannapaneni and Sri Rajeev Nannapaneni	Renewal of lease agreement	2 years	To locate godown at Kothur Mandal, Rangareddy Dist. ₹ 2.18 million p.a.	12th February, 2025	Nil
5.	M/s. Time Cap Pharma Labs Private Limited, Shareholding of Sri V.C. Nannapaneni and Sri Rajeev Nannapaneni	Renewal of lease agreement	2 years	To locate Company's Solar Panel Production line at Kothur Mandal, Rangareddy Dist. ₹ 2.18 million p.a.	12th February, 2025	Nil
6.	NATCO Pharma (Canada) Inc., Wholly Owned Subsidiary Company	Purchase/ Sales	1 year	To purchase/ sell the raw material/finished goods from/ to NATCO Pharma (Canada) incl. reimbursement of expenses ₹ 578.80 million p.a.	12th February, 2025	Nil
7.	NATCO Pharma Asia Pte. Ltd., Singapore, Subsidiary Company	Purchase/ Sales	1 year	To Purchase/ Sell the raw material/finished goods from/ to NATCO Pharma Asia Pte Ltd. incl. reimbursement of expenses ₹ 75.23 million p.a.	12th February, 2025	Nil
8.	NATCOfarma Do Brasil Ltda, Brazil, Step-down wholly-owned Subsidiary Company	Purchase/ Sales	1 year	To Purchase/ Sell the raw material/ finished goods from/ to NATCOfarma Do Brasil Ltda. incl. reimbursement of expenses ₹ 1517.05 million p.a.	12th February, 2025, 14th November, 2025 and 12th February, 2026	Nil

S. No.	Name(s) of the related party And nature of relationship	Nature of Contract / arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (₹ in million)	Date(s) of approval/ ratification by the Board, if any	Amount paid as advances, if any
9.	NATCO Lifesciences Philippines Inc, Subsidiary Company	Purchase/ Sales	1 year	To Purchase/ Sell the raw material/finished goods from/to NATCO Lifesciences Philippines Inc. including reimbursement of expenses and interest received ₹ 35.93 million p.a.	12th February, 2025	Nil
10.	NATCO Pharma USA LLC (Formerly known as Dash Pharmaceuticals LLC), Step-down wholly owned Subsidiary Company	Purchase/ Sales	1 year	To Purchase/ Sell the raw material/finished goods from/ to NATCO Pharma USA LLC. incl. reimbursement of expenses ₹ 52.42 million p.a.	12th February, 2025	Nil
11.	PT NATCO Lotus Farma, Indonesia, wholly owned Subsidiary Company	Purchase/ Sales	1year	To purchase/ sell the raw material/finished goods from/ to PT NATCO Lotus Farma. ₹ 14.13 million p.a.	12th February, 2025	Nil
12	Adcock Ingram Holdings Proprietary Limited, Associate Company	Purchase / Sales	3 months	To purchase / sell the raw-material / finished goods from / to Adcock Ingram Holdings Proprietary Limited ₹ 2.97 million p.a.	24th March, 2026	Nil
13.	NATCO Trust, Sri V.C. Nannapaneni is the Managing Trustee	Lease Agreement	29 years 11 months	To lease out premises to NATCO Trust for running its NATCO High school and Play Ground on a rent ₹ 0.067 million p.a.	12th February, 2025	Nil
14	Natco Crop Health Sciences Limited Wholly Owned Subsidiary	Lease Agreement	11 months	To lease the premises to locate corporate office of Natco Crop Health Sciences Limited ₹ 0.01 million p.a.	12th February, 2026	Nil

Note: All the above transactions were entered by the Company with Related Parties in the ordinary course of business at prevailing market rates.

For and on behalf of the Board of Directors
NATCO Pharma Limited

V.C. Nannapaneni
Chairman & Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman & Chief Executive Officer
DIN: 00183872

Place: Hyderabad
Date: August 14, 2026

Annexure –III to the Boards' Report

Form MR-3

SECRETARIAL AUDIT REPORT

(For the financial year ended 31st 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 read with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
Natco Pharma Limited
Natco House, Road No.2
Banjara hills, Hyderabad.
Telangana – 500034.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Natco Pharma Limited, CIN: L24230TG1981PLC003201 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct and statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period from 1st April, 2025 to 31st March, 2026 ("the audit period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanisms in place to the extent and in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of:

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

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

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

(iv) The Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (External Commercial Borrowings- not applicable to the Company during the Audit Period);

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the Company during the audit period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (not applicable to the Company during the audit period)

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018; (not applicable to the Company during the audit period)

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards as issued and notified by the Institute of Company Secretaries of India.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments made thereunder ("the Listing Regulations").

(vi) The other General Laws applicable to the Company

a) The Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945;

b) The Narcotic Drugs and Psychotropic Substances Act, 1985 and the Narcotic Drugs and Psychotropic Substances Rules, 1985;

c) The Drugs (Prices Control) Order, 2013 made under Essential Commodities Act, 1955;

d) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 and the rules made thereunder;

e) The Insecticides Act, 1968 and The Insecticides Rules, 1971;

f) The Air (Prevention and Control of Pollution) Act, 1981 and the Rules made thereunder;

g) The Water (Prevention and Control of Pollution) Act, 1974 and the Rules made thereunder;

h) The Environment Protection Act, 1986 and the Rules made thereunder;

i) The Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016 and amendments thereof;

j) The Public Liability Insurance Act, 1991 and the Rules made thereunder;

k) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards, etc., mentioned above.

I further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Independent Woman Director. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and the Listing Regulations.

b) Adequate notice was given to all the Directors to schedule Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance except where meetings were convened at shorter notice in compliance with Section 173(3) and SS-1, 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.

c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, whereever applicable.

I further report that with reference to the compliance of Industry Specific Acts applicable to the Company, I relied upon Management Representation Letter issued by the Compliance Officer of the Company and with reference to the compliance of the Labor and Financial Laws, I relied upon Management Representation Letter issued by the Compliance Officer, Chief Financial Officer and Head of Human Resources Department of the Company and also report of Statutory Auditors. My report of compliance would be limited to their reporting and subject to the observations and comments made by them in their report, if any.

Based on the information received and records maintained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

(i) The Board at its meetings held on 12th August, 2025 recommended, and the Members of the Company at the 42nd Annual General Meeting of the Company held on 25th September, 2025, by way of a Special Resolution, approved the enhancement of the borrowing powers of the Board under Section 180(1)(c) of the Companies Act, 2013. Accordingly, the Board was authorised to borrow monies, from time to time, up to an aggregate limit of ₹ 1,000 Crores (Rupees One Thousand Crores only), over and above the aggregate of the paid-up share capital, free reserves and securities premium of the Company at any time (excluding temporary loans obtained from the Company's bankers in the ordinary course of business), in supersession of the earlier approval.

(ii) The Board at its meetings held on 12th August, 2025 recommended, and the Members of the Company at the 42nd Annual General Meeting of the Company held on 25th September, 2025, by way of a Special Resolution, approved the authorisation under Section 180(1)(a) of the Companies Act, 2013, empowering the Board of Directors to create charges, mortgages, hypothecation and/or other encumbrances, in addition to the existing charges, on all or any of the movable and immovable properties of the Company, both present and future, or the whole or substantially the whole of the undertaking(s) of the Company, in favour of Banks, Financial Institutions/ other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds/ other instruments and/ or any issue of Non-Convertible Debentures and/or Compulsorily or Optionally, Fully or Partly Convertible Debentures and/or Bonds (including FCCBs), and/ or any other Non-Convertible and/or other Partly/ Fully Convertible instruments/securities, as may be required for securing the borrowings of the Company within the overall borrowing limits approved by the Members under Section 180(1)(c) of the Companies Act, 2013, in supersession of the earlier approval.

(iii) The Board at its meetings held on 12th August, 2025 recommended, and the Members of the Company at the 42nd Annual General Meeting of the Company held on 25th September, 2025, by way of an Ordinary Resolution, approved the increase in the Authorised Share Capital of the Company from ₹ 40,00,00,000 (Rupees Forty Crore only) divided into 20,00,00,000 (Twenty Crore) equity shares of ₹ 2 each to J 45,00,00,000 (Rupees Forty-Five Crore only) divided into 22,50,00,000 (Twenty Two Crores and Fifty Lakhs) equity shares of ₹ 2 each. Consequent thereto, Clause V (Capital Clause) of the Memorandum of Association of the Company was altered in accordance with the provisions of Sections 13 and 61 of the Companies Act, 2013 to reflect the revised Authorised Share Capital.

(iv) The Board at its meeting held on 24th March, 2026, approved the Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, providing for the demerger and transfer of the Agrochemicals Undertaking of Natco Pharma Limited ("the Demerged Company") to its wholly owned subsidiary, Natco Crop Health Sciences Limited ("the Resulting Company"), as a going concern. The Scheme, inter alia, provides that, upon the Scheme becoming effective, 1 (One) fully paid-up Equity Share of INR 2/- (Rupee Two only) each of the Resulting Company shall be issued and allotted for every 1 (One) fully paid-up Equity Share of INR 2/- (Rupee Two only) each held in the Demerged Company to the shareholders whose names appear in the Register of Members/Beneficial Owners of the Demerged Company as on the Record Date. The Scheme is subject to receipt of the requisite approvals from the shareholders, Stock Exchanges, SEBI, the Hon'ble National Company Law Tribunal, Hyderabad Bench, and such other statutory and regulatory authorities as may be applicable.

For **BK & Associates**
Company Secretaries

CS Kiran Kumar Bodla
Proprietor
FCS No.: 11093
C P No.: 15876
Peer Review No.:6428/2025
ICSI-ISA M.No.: ICSI-ISA/SA-0086
UDIN:F011093H001115515

Place: Hyderabad
Date: 14.08.2026

Note:

i) This report has to be read with my letter of even date which is annexed herewith and which forms an integral part of this report.

Annexure to Form MR-3

(For the financial year ended 31st March, 2026)

To,
The Members
Natco Pharma Limited
Natco House, Road No.2
Banjara hills, Hyderabad.
Telangana – 500034.

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

1. My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

2. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

3. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that accurate facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, I have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

6. The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

7. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.

8. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **BK & Associates**
Company Secretaries

CS Kiran Kumar Bodla
Proprietor
FCS No.: 11093
C P No.: 15876
Peer Review No.: 6428/2025
ICSI-ISA M.No.: ICSI-ISA/SA-0086
UDIN:F011093H001115515

Place: Hyderabad
Date: 14.08.2026

Annexure –IV to the Boards' Report

Annual Report on CSR Activities

1) Brief outline on CSR Policy of the Company:

Your Company as a responsible corporate entity framed CSR Policy as stipulated by the Companies Act, 2013 to undertake all or any of the objectives contained in Schedule VII of the Companies Act, 2013. Your Company intends to actively contribute to the social and economic development of the communities in which it operate by participating actively in building a better, sustainable way of life for the weaker sections of society.

2) Composition of CSR Committee:

S. No.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Sri V.C. Nannapaneni	Chairman & Managing Director	3	3
2.	Sri Rajeev Nannapaneni	Vice-Chairman & Chief Executive Officer	3	3
3.	Sri D. Vijaya Bhaskar	Independent Director	3	3
4.	Dr. Kantipudi Suma	Independent Director	3	3

3) Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: www.natcopharma.co.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 of the Companies (Corporate Social responsibility Policy) Rules, 2014:

Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 by M/s. Deloitte Touche Tohmatsu India LLP cover the broad areas of Education and Infrastructure, Health, Nutrition, Water, Sanitation and Hygiene.

The Impact Assessment Report is available on the website of the Company at https://www.natcopharma.co.in/investor-relations/annual-reports

5) a) **Average net profit of the Company as per sub section (5) of Section 135:** ₹ 14668.84 million

b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135:** ₹ 293.37 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):** ₹ 293.37 million

6) a) **Amount spent on CSR projects (both ongoing and other than ongoing project):** ₹ 264.31 million

b) **Amount spent in Administrative Overheads:** ₹ 6.19 million

c) **Amount spent on Impact Assessment, if applicable:** NIL

d) **Total amount spent for the Financial Year (6a+6b+6c):** ₹ 270.5 million

e) **CSR Amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (₹ in millions)	Amount Unspent (₹ in million)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
270.5	22.87	30th April, 2026		Nil	

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

S. No.	Particulars	Amount (₹ in Million)
(i)	Two percent of average net profit of the Company as per sub-section (5) section 135	₹ 293.37
(ii)	Total amount spent for the Financial Year	₹ 270.5
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ 0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹ 0

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	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 (in ₹)	Deficiency, if any.
					Amount (in ₹)	Date of Transfer		
1.	2024-25	7.31	0	7.31	-	-	-	-
2.	2023-24	-	-	-	-	-	-	-
3.	2022-23	-	-	-	-	-	-	-

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:

The unspent CSR amount of ₹ 22.87 million pertains to ongoing projects, where the spend is spread across multiple years. The CSR amount is spent based on the completion of a phase of a CSR project.

For and on behalf of the Board of Directors
NATCO Pharma Limited

V.C. Nannapaneni
Chairman & Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman & CEO
DIN: 00183872

Place: Hyderabad
Date: August 14, 2026

Annexure –V to the Boards' Report

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company, the percentage increase in remuneration of each Director, CEO, CFO and CS, for FY 2025-26 and comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the Company:

Name of the KMP	Designation	Remuneration (₹ in Million)*	Ratio of Remuneration of each Director / KMP to the median remuneration of employees	% Increase in remuneration during FY 2025-26
Sri V. C. Nannapaneni	Chairman & Managing Director	76.01	112	-23.88
Sri Rajeev Nannapaneni	Vice Chairman & Chief Executive Officer	73.88	109	-24.47
Sri P.S.R.K Prasad	Director & Executive Vice President (Corporate Engg. Services)	21.73	32	4.76
Dr. D Linga Rao	Director & President (Tech. Affairs)	21.71	32	-45.82
Sri S.V.V.N. Appa Rao^	Chief Financial Officer	47.10	69	222.49
Sri Amit Parekh**	Chief Financial Officer	5.79	9	NA
Sri Venkat Ramesh Chekuri	Company Secretary & Compliance Officer	3.72	5	40.76

^Sri S.V.V.N. Appa Rao, Chief Financial Officer of the Company has been superannuated with effect from the close of the business hours on February 12, 2026.

**Sri Amit Parekh has been appointed as Chief Financial Officer with effect from February 13, 2026

Median remuneration of employees for the Financial Year 2025-26 is ₹ 6,80,130 /-.

Sri A.D.M. Chavali, Sri D. Vijaya Bhaskar, Sri B. Lakshminarayana, Sri Nitin Jain and Dr. Suma Kantipudi Independent Directors were paid only sitting fees for attending the Board/Committee Meetings.

(ii) The median remuneration of employees increased by 9.13 % in Financial Year 2025-26.

(iii) The number of permanent employees on the rolls of Company as on March 31, 2026 is 5060.

(iv) The average increase in remuneration paid to employees is 10.85% for Financial Year 2025-26 as compared to Financial Year 2024-25.

(v) It is hereby affirmed that the remuneration paid during the Financial Year 2025-26 is as per the Remuneration Policy of the Company.

* The above remuneration includes perquisites as per Income Tax Act, 1961, excludes gratuity and leave encashment provision created during the year.

For and on behalf of the Board of Directors
NATCO Pharma Limited

V.C. Nannapaneni
Chairman & Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman & Chief Executive Officer
DIN: 00183872

Place: Hyderabad
Date: August 14, 2026

Annexure – VI to the Boards' Report

Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

A) CONSERVATION OF ENERGY:

(a) During the year, the Company has implemented energy conservation projects across its various business units. A few of the key initiatives include:

1. Installation of Energy efficient equipment & optimization of processes consuming energy:

Installed new high efficiency Utility equipment & improvise the operation of existing utility system during the last fiscal and achieved significant saving in various utility areas resulted in reduction of 5498 Ton of CO2 emissions

2. Identifying cheaper power sources both in-house and external and Utilizing the alternate sources of energy:

(a) Increased utilization of alternate renewable sources of energy by 8% using Dry oil Cake instead of Coal resulting in reduction of 2281 Ton of Co2 emission & Installed Solar Plant (565KW) to reduce Co2 emission by 905 Ton /Year

(b) Installed high efficiency solar panel to achieve the saving of INR 9 Million/ annum.

3. Steps in progress for increasing the utilization of alternate renewable sources of energy:

a) Propose to install 1.5 Mw Solar plant with Electrical Boiler / Battery Storage at Mekaguda.

Expected saving per annum is approximately INR 22.8 Million.

B) TECHNOLOGY ABSORPTION

Our R&D team has successfully developed an alternative synthetic route for key intermediate stages of the Apixaban production process. A comprehensive Life Cycle Assessment (LCA) was conducted on the revised process, which demonstrated a potential reduction in overall environmental attributes by approximately 50% compared to the existing route.

Disclosure of particulars with respect to conservation of energy:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A: Power and Fuel Consumption		
1. Electricity		
a) Purchased Units	71642502	68401833
Total amount (₹ million)	622.92	601.54
Rate / Unit (₹)	8.69	8.79
b) Own Generation:		
i) Through Diesel		
Generator Units	982168	893313
Units / ltr. Of Diesel Oil	3.34	3.33
Cost / Unit (₹)	25.90	26.19
ii) Through Windmill		
Generator Units	9335794	8352487
Total Cost Per Year (₹ million)	14.28	17.50
Cost / per Unit (₹)	1.53	2.09
iii) Through Solar		
Generator Units	8508033	8532645
Total Cost Per Year (₹ million)	18.36	18.81
Cost / per Unit (₹)	2.16	2.20

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
2. Coal D/C grade		
Quantity (Tonnes)	4,418	5,512
Total amount (₹ million)	48.87	69.54
Average rate per tonne (₹)	11,062	12,618
3. Furnace Oil		
Quantity (Ltr)	1178161	857748
Total amount (₹ million)	56.67	45.29
Average rate per Ltr (₹)	48.10	52.80

C) EXPENDITURE OF R&D:

Amount (₹ in Million)

Expenditure on R&D	Year ended March 31, 2026	Year ended March 31, 2025
R&D Expenditure	4,086	3,733
R&D Expenditure as percentage of standalone revenue from operations	11.4	9.12

D) Foreign Exchange Earnings and Outgo

The Company realised foreign exchange amounting to ₹ 36,375 million and used foreign exchange amounting to ₹ 24,216 million during the year ended 31st March, 2026.

For and on behalf of the Board of Directors
NATCO Pharma Limited

V.C. Nannapaneni
Chairman & Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman & Chief Executive Officer
DIN: 00183872

Place: Hyderabad
Date: August 14, 2026

Corporate Governance Report

Philosophy on Corporate Governance

NATCO Pharma Limited (NATCO) believes that good and responsible corporate governance is the backbone for sustainable performance, achieving long-term sustainable growth and enhancing stakeholder value. At NATCO, we believe that transparency in the form of disclosures, presence of strong Board with adequate composition of Independent Directors, compliance of law in letter and spirit, responsible corporate conduct and being accountable ensures good Corporate Governance and enhances the reputation of the Company globally without hindering with the shareholder's faith in the Company. We being a global pharmaceutical company, driven by our mission "Making specialty medicines accessible" we strive to provide quality and affordable healthcare to patients globally. This purpose guides our organizational decisions and anchors our every action. This is our road path to consistent, competitive, profitable and responsible growth which creates a long-term value to our shareholders/ stakeholders.

Compliance Report on Corporate Governance

Your Company submits compliance report on Corporate Governance to the Stock Exchanges on quarterly, half-yearly and annual basis within the statutory time limits.

BOARD OF DIRECTORS

The Board of your Company is a combination of nine (9) eminent personnel from varied fields having immense knowledge in the relevant subjects which provides strategic guidance to the Company in arriving at judicious decisions by exercising independent judgement.

(a) Board Meetings

Proper decision-making is vital for the success of any Company and we at NATCO believes that the Board Meetings are of high significance to achieve this.

During the financial year 2025-26, nine (9) Board Meetings were held on May 28, 2025, June 23, 2025, July 18, 2025, July 23, 2025, August 12, 2025, September 25, 2025, November 14, 2025, February 12, 2026 and March 24, 2026 within the time limits stipulated under the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") as amended from time to time. However, proper care is being taken to see that adequate time is provided for the meetings for thorough discussions to arrive at consensus and better decision making. Prior intimation and outcome of Board Meeting(s) is duly informed to the Board and statutory agencies in compliance with the Act and the Listing Regulations.

(b) Board Composition

The Composition of the Board is made keeping in view the growth of the Company and compliance with the statutory requirement under the Act and the rules made thereunder and the Listing Regulations.

Composition of the Board of Directors of NATCO is as follows:

Sl. No.	Name of the Director and Designation	DIN	Category	Number of Board meetings during FY 2025-26		Attendance at the last AGM Held on September 25, 2025	No. of Director-ships in other Companies	Name of other listed entities holding Directorship	Category of Directorship in other listed entities	No. of Committee positions held in other listed entities	
				Held	Attended					Chairman	Member
1.	Sri V.C. Nannapaneni, Chairman & Managing Director	00183315	Promotor, Executive Director	9	9	Yes	3	NIL	NIL	NIL	NIL
2.	Sri Rajeev Nannapaneni, Vice Chairman & Chief Executive Officer	00183872	Promotor, Executive Director	9	9	Yes	4	NIL	NIL	NIL	NIL
3.	Sri P.S.R.K. Prasad, Director & Executive Vice President (Corp. Engg. Services)	07011140	Executive Director	9	8	Yes	1	NA	NA	NA	NA
4.	Dr. D. Linga Rao, Director & President (Technical Affiars)	07088404	Executive Director	9	9	Yes	NIL	NA	NA	NA	NA

Sl. No.	Name of the Director and Designation	DIN	Category	Number of Board meetings during FY 2025-26		Attendance at the last AGM Held on September 25, 2025	No. of Director-ships in other Companies	Name of other listed entities holding Directorship	Category of Directorship in other listed entities	No. of Committee positions held in other listed entities	
				Held	Attended					Chairman	Member
5.	Sri A.D.M. Chavali Independent Director	00374673	Independent Non-Executive Director	9	9	Yes	3	i) Pokarna Limited	Independent Director	1	2
6.	Sri Vijaya Bhaskar D. Independent Director	07158951	Independent Non-Executive Director	9	9	Yes	NIL	NA	NA	NA	NA
7.	Sri Lakshminarayana B, Independent Director	02766709	Independent Non-Executive Director	9	8	Yes	4	i) B.N. Rathi Securities Limited	Independent Director	1	1
								ii) B2B Software Technologies Limited		0	1
8.	Dr. Suma Kantipudi, Independent Director	02734369	Independent Non-Executive Director	9	8	Yes	6	NIL	NA	NA	NA
9.	Nitin Jain, Independent Director	00136245	Independent Non-Executive Director	9	8	Yes	1	Amanta Healthcare Limited	Independent Director	NIL	NIL

Note:

(a) Sri V.C. Nannapaneni and Sri Rajeev Nannapaneni are related to each other.

(b) The Company doesn't have pecuniary relationship with any of the non-executive Director(s).

(c) Sri V.C. Nannapaneni, Sri Rajeev Nannapaneni, Sri P.S.R.K. Prasad and Dr. D. Linga Rao were re-appointed as Directors of the Company for a period of 1 year w.e.f. April 1, 2026.

(c) Shares held by Non-Executive Director(s)

None of the other Non-Executive Directors are holding any shares of the Company as on March 31, 2026.

Familiarisation Programme for Independent Directors

The Senior Management personnel of the Company make presentations to the Board members on the operations of the Company, its plans, strategy, risks involved, new initiatives, etc. and seek their views and suggestions on the same.

The Board members have been provided with various policies of the Company including code of conduct for Directors and Senior Management personnel, etc. The Company has organised Familiarisation Programmes for the Independent Directors of the Company to familiarise them with the Company vis a vis their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

The details regarding the programme is available on our website chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/ https://admin.natcopharma.co.in/wp-content/uploads/2026/04/FAMILIARIZATION-PROGRAM-FOR-INDEPENDENT-DIRECTORS-2025-56.pdf

List of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:

Leadership & Management	Leadership experience, strategic decision making, risk management. Skilled and expertise in driving change, planning succession and long-term growth.
Financial/Legal/Commercial Knowledge	Knowledge on financial reporting, accounting principles, internal controls, auditing process and related considerations and issues.
	Experience in working in legal firms, regulatory organisations and aware of legal matters relevant to the industry.
Governance	Experience as a board member and aware of corporate governance principles.
Industry/Global business knowledge	Knowledge of one or more important business lines of the organisations in the same industry.
	Awareness about relevant markets at global level and diversification of Company's business, global trends.
Operations	Expertise in managing the operations of the Company.
Technology	Experience with information technology systems and developments and recent trends in technology.

The above key skills/expertise/competence stated above are adequate to function efficiently and effectively in managing the affairs of the Company.

The Board members possess the following core skills / expertise competencies:

Matrix of Board Expertise

Sl. No.	Name of the Director	Industry/ Global business	Operations	Governance	Leadership & Management	Technology	Legal, Commercial, Financial
1	Sri V.C. Nannapaneni	✓	✓	✓	✓	✓	-
2	Sri Rajeev Nannapaneni	✓	✓	✓	✓	✓	✓
2	Sri P.S.R.K. Prasad	✓	✓	✓	✓	✓	-
4	Dr. D. Linga Rao	✓	✓	✓	✓	✓	-
5	Sri A.D.M. Chavali	-	-	✓	-	-	✓
6	Sri D. Vijaya Bhaskar	-	-	✓	-	-	✓
7	Sri B. Lakshminarayana	-	-	✓	-	-	✓
8	Sri Nitin Jain	✓	-	✓	-	-	✓
9	Dr. Kantipudi Suma	-	-	✓	-	✓	-

Confirmation about Independent Directors

This is to confirm that in the opinion of the Board, the Independent Directors fulfil the conditions as specified in Listing Regulations and are independent of the management.

(d) Independent Directors

NATCO is always of the belief that an independent eye makes a difference to the way the Board functions. The presence of Independent Directors on the Board ensures that decision making of the Board is unbiased and the interests of the stakeholders are best safeguarded. There is no instance of resignation of Independent Director(s) during the financial year before the expiry of their term. Your Company is in strict compliance of the several conditions in respect of Independent Directors prescribed under the Act and the Listing Regulations.

Separate Meeting for Independent Directors

The Independent Directors of your Company met on February 12, 2026 and March 24, 2026 and considered those items of business as required under Schedule IV to the Act and recommended the Scheme of Arrangement (De-merger) to the Board of Directors as required under the Listing Regulations. The Company Secretary of your Company facilitated the convening and holding of the meeting of Independent Directors.

(e) Board Evaluation

A formal annual evaluation has been made by the Board of its own performance, Chairman of the Board, its Committee(s) and individual Director(s). The performance evaluation has been done by the entire Board of Directors, excluding the Director being evaluated. Various evaluation techniques are used to assess the performance of the Directors. The Directors have participated in this evaluation process. The Independent Directors in their separate meeting have also evaluated the performance of the Chairman of the Company, Non-Independent Directors and the Board as a whole.

COMMITTEES

(i) Committees of Board

In order to take decisions effectively and for better Corporate Governance the Board of your Company had constituted Nine (9) Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Compensation Committee, Corporate Social Responsibility Committee, Risk Management Committee, Committee Dealing with Land Property, Buyback Committee and Environmental, Social and Governance Committee. The membership in Committees is decided based on the traits of the Directors keeping in view the statutory requirement of composition of Directors in the Committees.

The brief description of terms of reference, composition, meetings and attendance of the meetings of the Committee(s) during the financial year 2025-26 are provided below:

(a) Audit Committee

The Audit Committee is vested with the responsibility to review, inter alia, the financial reporting, internal control systems, risk management systems and the internal and external audit functions. The qualifications of the Directors, composition, quorum, frequency of meetings and the terms of reference of the Audit Committee are in line with the requirements under the Act and the Listing Regulations.

Details of Composition of the Audit Committee and attendance at the meetings held on May 28, 2025, August 12, 2025, November 14, 2025, February 12, 2026 and March 24, 2026 are given below:

Sl. No.	Name of the Audit Committee Members	Audit Committee Meeting(s) attendance	
		Held	Attended
1.	Sri Lakshminarayana Bolisetty, Chairman	5	5
2.	Sri D. Vijaya Bhaskar, Member	5	5
3.	Sri A.D.M. Chavali, Member	5	5
4.	Sri Nitin Jain, Member	5	4

(b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is empowered to oversee the Company's Policies relating to the Nomination and evaluation of every Director's performance and to determine the Company's Policies relating to Remuneration of the Directors, Senior Management of the Company. The qualifications of the Directors, composition, quorum, frequency of meetings and the terms of reference of the Nomination and Remuneration Committee are in line with the requirements under the Act and the Listing Regulations.

During the year three (3) meetings of the Committee were held on May 28, 2025, July 18, 2025 and February 12, 2026. The details of composition of Nomination and Remuneration Committee and attendance of the meeting are given below:

Sl. No.	Name of the Nomination and Remuneration Committee Members	Nomination and Remuneration Committee (s) attendance	
		Held	Attended
1.	Sri D. Vijaya Bhaskar, Chairman	3	3
2.	Sri A.D.M. Chavali, Member	3	3
3.	Sri Lakshminarayana Bolisetty, Member	3	3
4.	Dr. Kantipudi Suma, Member	3	3

The following are the key criteria for evaluation of performance of Independent Directors:

Ethics & Integrity: Adherance to the code of conduct, independence of judgment and upholding high standards of integrity and fulfilling fiduciary duties and responsibilities.

Knowledge & Expertise: Relevant industry knowledge and participation in board deliberations.

Participation & Contribution: Active involvement/contribution in Board and Committee meetings, Contribution to the development of strategy, risk management of the Company and Contribution to the adoption and strengthening of best corporate governance practices..

Independence: No conflict of interest from the Company or other Directors, objective and unbiased view in Board discussions.

(c) Stakeholders Relationship Committee

The Stakeholders Relationship Committee is headed under stewardship of Sri D. Vijaya Bhaskar. It is constituted by the Board to consider and resolve the grievances of security holders of the Company. The qualifications of the Directors, composition, quorum, frequency of meetings and the terms of reference of the Stakeholders Relationship Committee are in line with the requirements under the Act and the Listing Regulations.

Details of composition of the Stakeholders Relationship Committee and attendance at the meeting held on August 12, 2025 are as given below:

Sl. No.	Name of the members of Stakeholders Relationship Committee	Stakeholders Relationship Committee (s) attendance	
		Held	Attended
1.	Sri D. Vijaya Bhaskar, Chairman	1	1
2.	Sri V.C. Nannapaneni, Member	1	1
3.	Sri Rajeev Nannapaneni, Member	1	1
4.	Sri Nitin Jain, Member	1	1

During the financial year 2025-26, the Company has received 473 complaints from the shareholders, and resolved all the complaints during the year. As on March 31, 2026 there are no pending complaints which were resolved within due time.

Name and designation of the Compliance Officer
Name: CS Venkat Ramesh Chekuri (ACS 41964)
Designation: Company Secretary & Compliance Officer
Email: venkatramesh.ch@natcopharma.co.in

(d) Compensation Committee

The Compensation Committee is constituted, inter alia, to consider recommendation of any share-based employee benefit schemes for the approval of the Board and for grant of options / allotment of shares approved under such schemes.

The qualifications of the Directors, composition, quorum, frequency of meetings and the terms of reference of the Compensation Committee are in line with the requirements under the Act, the Listing Regulations and the SEBI (Share Based Employee Benefits) Regulations, 2014 and consists of the following members:

Sl. No.	Name of the Members	Designation
1.	Sri V.C. Nannapaneni	Chairman & Managing Director
2.	Sri Rajeev Nannapaneni	Vice Chairman & Chief Executive Officer
3.	Sri D. Vijaya Bhaskar	Independent Director

During the financial year 2025-26, there were no meetings of the Compensation Committee.

(e) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is vested with the responsibility to, inter alia, monitor the compliance of Corporate Social Responsibility Policy of the Company and to recommend any changes to the same.

The qualifications of the Directors, composition, quorum, frequency of meetings and the terms of reference of the Corporate Social Responsibility Committee are in line with the requirements under the Act and the Listing Regulations.

During the year three (3) meetings of the Committee were held on May 28, 2025, August 12, 2025 and February 12, 2026.

The details of composition of Corporate Social Responsibility Committee and attendance of the meeting are given below:

Sl. No.	Name of the members of Corporate Social Responsibility Committee	Corporate Social Responsibility Committee(s) attendance	
		Held	Attended
1.	Sri V.C. Nannapaneni, Chairman	3	3
2.	Sri Rajeev Nannapaneni, Member	3	3
3.	Sri D. Vijaya Bhaskar, Member	3	3
4.	Dr. Kantipudi Suma, Member	3	3

f) Risk Management Committee

The Risk Management Committee of the Company reviews the Risk management plan of the Company at periodic intervals and takes steps to identify and mitigate the risks involved. The Board has constituted the Risk Management Committee according to the Listing Regulations as amended from time to time. The terms of the reference, quorum, and frequency of the Committee meeting(s) etc., are in line with the requirements of the Listing Regulations. The Risk Management Committee meetings were held on September 25, 2025 and February 6, 2026 during the year.

The details of composition of the Committee and attendance of the meetings are as follows:

Sl. No.	Name of the Risk Management Committee Members	Risk Management Committee Meeting(s) attendance	
		Held	Attended
1.	Sri V.C. Nannapaneni, Member	2	2
2.	Sri Rajeev Nannapaneni, Member	2	1
3.	Sri B. Lakshminarayana, Member	2	2
4.	Sri P.S.R.K. Prasad, Member	2	2
5.	Dr. D. Linga Rao, Member	2	2
6.	Dr. Srirarm Rampalli, Member	2	2
7.	Sri A. Lakshminarayana, Member	2	2
8.	Sri S.V.V.N. Appa Rao, Member*	2	2
9.	Sri Amit Parekh, Member**	-	-
10.	Sri Bhimrao Dattu Jadhav, Member***	2	1
11.	Sri N. Malleswara Rao, Member#	2	0

*Sri S.V.V.N. Appa Rao was superannuated from the closure of business hours on 12th February, 2026.
**Sri Amit Parekh was appointed as a member of the Committee w.e.f.13th February, 2026.
*** Sri Bhimrao Dattu Jadhav appointed as a member w.e.f.28.05.2025
#Sri N.Malleswara Rao ceased to be a member w.e.f.28.05.2025

Senior Management

The particulars of the senior management including the changes therein are provided under the “Management Team” of the Company in Page No. 44

REMUNERATION OF DIRECTORS

Executive Directors

The remuneration of Executive Directors of the Company is fixed based on the Nomination and Remuneration Policy of the Company and as recommended by Nomination and Remuneration Committee and the remuneration paid to them for the financial year 2025-26 is as below and are in line with the applicable provisions of the Act, Rules and Listing Regulations made thereunder as amended from time to time:

Sl. No	Name	Designation	Total amount (₹ in Million per annum)*
1.	Sri V.C. Nannapaneni	Chairman & Managing Director	76.01
2.	Sri Rajeev Nannapaneni	Vice Chairman & Chief Executive Officer	73.88
3.	Sri P.S.R.K. Prasad	Director & Executive Vice President (Corporate Engineering Services)	21.73
4.	Dr. D. Linga Rao	Director & President (Technical Affairs)	21.71
	Total		**193.33**

* The above remuneration includes perquisites as per Income Tax Act, 1961, excludes gratuity and leave encashment provision created during the year.

Non-Executive Directors

Sitting fees is paid to the Non-Executive Directors for attending the Board Meetings and the Committee Meetings and such amounts are paid within the ceiling limits under Act. There were no pecuniary relationship or transactions entered by the Non-Executive Directors with the Company during the period under review except for sitting fees. The details of the sitting fees paid to Non- Executive Directors of the Company for the Financial Year 2025-26 is given below:

Sl. No	Name	Designation	Total Amount (₹ in million per annum)
1	Sri ADM Chavali	Independent Director	1.30
2	Sri D Vijaya Bhaskar	Independent Director	1.50
3	Sri B Lakshminarayana	Independent Director	1.30
4	Dr. Suma Kantipudi	Independent Director	1.10
5	Sri Nitin Jain	Independent Director	1.05
	Total		**6.25**

There was no service contracts entered by the Company with non-executive Directors. Notice period for Executive Directors is 3 months. The Company is not paying any severance fees to Directors.

(g) Committee Dealing with Land Property

The Committee Dealing with Land Property was constituted by the Board of Directors to deal with purchase / sale of the land property of the Company. There were no meetings held during the year.

The details of composition of the Committee are as follows:

Sl. No	Name of the members of Committee Dealing with Land Property
1.	Sri V.C. Nannapaneni, Member
2.	Sri Rajeev Nannapaneni, Member
3.	Sri D. Vijaya Bhaskar, Member

(h) Buy-back Committee

The Buyback Committee was re-constituted by the Board of Directors at their meeting held on March 8, 2023 to deal with matters relating to the Buy-back of equity shares of the Company. The Committee consists of Sri V.C. Nannapaneni, Chairman & Managing Director, Sri Rajeev Nannapaneni, Vice Chairman and Chief Executive Officer and Sri P.S.R.K. Prasad, Director & Executive Vice President (Corporate Engineering Services). During the year under review, no Buy-back Committee meetings were held.

(i) Environmental, Social and Governance (ESG) Committee

The ESG committee is established to assist the Board in meeting its responsibilities in relation to the Environmental, Social and Governance (ESG) matters arising out of the activities and operations of the Company aiming towards enhanced sustainable development. It is vested with the responsibility to facilitate/ review the Business Responsibility

Sustainability Report (BRSR)/ Global Reporting Initiative (GRI), Sustainability, other ESG disclosures, etc. During the year the meeting of the Committee held on 6th February, 2026 as follows:

Sl. No	Name of the members of Environmental, Social and Governance Committee	Held	Attended
1.	Sri P.S.R.K. Prasad, Chairperson	1	1
2.	Dr D. Linga Rao, Member	1	1
3.	Sri S.V.V.N Appa Rao, Member*	1	1
4.	Sri Amit Parekh, Member**	-	-
5.	Sri A. Lakshminarayana, Member	1	1
6.	Sri Rajesh Chebiyam, Member	1	1
7.	Sri Sunil Kotaru, member	1	1

*Sri S.V.V.N. Appa Rao was superannuated from the closure of business hours on 12th February, 2026.

**Sri Amit Parekh was appointed as a member of the Committee w.e.f.13th February, 2026.

(j) Other Committee(s)

Share Transfer Committee

The transfer/transmission of equity shares of the Company are approved by the Share Transfer Committee, the power of which has been delegated to the Share Transfer Agents/Registrars of the Company.

The Company Secretary approves share transfers/ transmissions and related matters. As SEBI has banned the transfer of physical shares, the Company accepts transfer of physical shares lodged for transfer either at Company's Registered Office or at the Company's Registrars in special circumstances are processed within 15 days from the date of lodgment, if the documents are valid in all respects. All requests for dematerialization of shares are processed and the confirmation(s) thereto are given to depositories within 15 days of the receipt of request.

During the financial year 2025-26, 24 (twenty four) instruments of transmission and Transposition of equity shares for 39,300 (Thirty Nine Thousand Three Hundred Only) equity shares were received and the same were effected.

Internal Complaints Committee

The Committee constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company has in place Internal Complaints Committee at each of its offices and units / factories to resolve any issues related to Sexual Harassment of Women at Workplace. The composition of the Committee(s) are strictly as per the statutory requirement in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Committee comprises of one Presiding Officer who is a woman employed at a Senior Level, two members from amongst the employees and one member from a non-governmental organisation at each place of work.

Below are the details of the complaints received/resolved during the financial year 2025-26:

Sl. No.	Particulars	Number
1.	Number of complaints filed during the financial year	NIL
2.	Number of complaints disposed of during the financial year	NA
3.	Number of complaints pending as on end of the financial year	NA

During the year under review the Company has conducted a total of 18 awareness programmes against sexual harassment.

GENERAL BODY MEETINGS

Annual General Meetings

The following are the details of the previous three Annual General Meetings of your Company:

Financial Year	Particulars	Location	Time	Special Resolution(s) passed, if any
2022-23	September 29, 2023	Held through Video Conference at the Registered Office of the Company situated at NATCO House, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana, India	10.30 a.m.	0
2023-24	September 30, 2024	Held through Video Conference at the Registered Office of the Company situated at NATCO House, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana, India	11.00 a.m.	3
2024-25	September 25, 2025	Held through Video Conference at the Registered Office of the Company situated at NATCO House, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana, India	11.00 a.m.	2

Postal ballot

The following Special Resolution(s) were passed during the FY 2025-26 through Postal Ballot:

Person who conducted the Postal ballot exercise

The Company has appointed Sri Kiran Kumar Bodla, Proprietor, BK & Associates, Practising Company Secretary (Membership No. FCS 11093 and CP No. 15876) as Scrutinizer to conduct the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.

Procedure for Postal Ballot

Pursuant to Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No.20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022, General Circular No.11/2022 dated December 28, 2022, General Circular No.9/2023 dated September 25, 2023, General Circular No. 09/2024 dated September 19, 2024 and General Circular No.3/2025 dated September 22, 2025 issued by Ministry of Corporate Affairs (“MCA Circulars”), read with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations, that the following Special Resolutions were passed by the Members of the Company through postal ballot by remote e-voting process during the Financial year 2025-26.

The e-voting facility to Members was provided through National Securities Depository Limited (NSDL). The e-voting period commenced at 9:00 Hours (IST) on Monday, February 23, 2026 to 17:00 Hours (IST) on Tuesday, March 24, 2026.

A newspaper advertisement as required under the Companies Act, 2013 was published in Financial Express and Nava Telangana (regional newspaper – Telugu Language) newspapers on Saturday, February 21, 2026.

The Scrutinizer submitted his report on postal ballot by remote e-voting process to the Chairman of the Company on March 25, 2026.

1. To re-appoint Sri V.C. Nannapaneni (DIN: 00183315) as Chairman & Managing Director of the Company

Promoters / Public	Mode of Voting Type	No of Shares held (1)	No of Votes Polled (2)	% of Votes Polled on shares held (3)=((2)/ (1)*100)	No. of Votes in Favour (4)	No of Votes -Against (5)	% of Votes in favour on Votes Polled (6)=((4)/ (2)*100)	% of Votes against on Votes Polled (7)=((5)/ (2)*100)
Promoter and Promoter Group	Evoting	88630126	86708190	97.83	86708190	0	100.00	0.00
Public-Institutional Holders		36883463	23592785	63.97	22190787	1401998	94.06	5.94
Public - Others		53596281	1042737	1.95	1038031	4706	99.55	0.45
Total		**179109870**	**111343712**	**62.17**	**109937008**	**1406704**	**98.74**	**1.26**

2. To re-appoint Sri Rajeev Nannapaneni (DIN: 00183872) as Vice Chairman and Chief Executive Officer of the Company

Promoters / Public	Mode of Voting Type	No of Shares held (1)	No of Votes Polled (2)	% of Votes Polled on shares held (3)=((2)/ (1)*100)	No. of Votes in Favour (4)	No of Votes -Against (5)	% of Votes in favour on Votes Polled (6)=((4)/ (2)*100)	% of Votes against on Votes Polled (7)=((5)/ (2)*100)
Promoter and Promoter Group	Evoting	88630126	86708190	97.83	86708190	0	100.00	0.00
Public-Institutional Holders		36883463	23592785	63.97	22801737	791048	96.65	3.35
Public - Others		53596281	1042542	1.95	1036258	6284	99.40	0.60
Total		**179109870**	**111343517**	**62.16**	**110546185**	**797332**	**99.28**	**0.72**

3. To reappoint Sri P.S.R.K Prasad (DIN: 07011140) as Director and Executive Vice President (Corporate Engineering Services) of the Company

Promoters / Public	Mode of Voting Type	No of Shares held (1)	No of Votes Polled (2)	% of Votes Polled on shares held (3)=((2)/(1)*100)	No. of Votes in Favour (4)	No of Votes -Against (5)	% of Votes in favour on Votes Polled (6)=((4)/(2)*100)	% of Votes against on Votes Polled (7)=((5)/ (2)*100)
Promoter and Promoter Group	Evoting	88630126	86708190	97.83	86708190	0	100.00	0.00
Public-Institutional Holders		36883463	23592785	63.97	22927716	665069	97.18	2.82
Public - Others		53596281	1042542	1.95	1036183	6359	99.39	0.61
Total		**179109870**	**111343517**	**62.16**	**110672089**	**671428**	**99.40**	**0.60**

4. To reappoint Dr. D. Linga Rao (DIN: 07088404) as Director and President (Tech. Affairs) of the Company

Promoters / Public	Mode of Voting Type	No of Shares held (1)	No of Votes Polled (2)	% of Votes Polled on shares held (3)=((2)/(1)*100)	No. of Votes in Favour (4)	No of Votes -Against (5)	% of Votes in favour on Votes Polled (6)=((4)/(2)*100)	% of Votes against on Votes Polled (7)=((5)/ (2)*100)
Promoter and Promoter Group	Evoting	88630126	86708190	97.83	86708190	0	100.00	0.00
Public-Institutional Holders		36883463	23592785	63.97	22927716	665069	97.18	2.82
Public - Others		53596281	1042634	1.95	1036393	6241	99.40	0.60
Total		**179109870**	**111343517**	**62.16**	**110672089**	**671310**	**99.40**	**0.60**

MEANS OF COMMUNICATION

At NATCO, dissemination of information is considered crucial since many stakeholders are interested in the affairs of the Company. The Company is in strict compliance of the Listing Regulations pertaining to disclosure of Audited/ Unaudited quarterly, half-yearly and annual financial results of the Company both on standalone and consolidated basis to the Stock Exchanges and publication of the same in both Vernacular and National newspapers and disclosure of presentations on Financial Results made to Institutional investors / analysts and to the Stock Exchanges. The same disclosures are also published on the website of the Company (www.natcopharma.co.in).

It is ensured that any material information under Regulation 30 of the Listing Regulations is promptly intimated to the Stock Exchanges and updated on the Company's website (www.natcopharma.co.in) as well as made part of press releases. Any price sensitive information is brought to the notice of both the Stock Exchanges (NSE and BSE), Press and Electronic Media in order to avoid any possible insider trading practices with such information.

The following table provides the details regarding the publishing of quarterly results in the newspapers:

For Quarter/ Year ended	Date of Board Meeting	Date of Publication	Name of the English Daily	Name of the Regional Daily
June 30, 2025	August 12, 2025	August 13, 2025	Business Line & Financial Express	Nava Telangana
September 30, 2025	November 14, 2025	November 15, 2025	Financial Express	Nava Telangana
December 31, 2025	February 12, 2026	February 13, 2026	Business Line & Financial Express	Nava Telangana
March 31, 2026	May 29, 2026	May 30, 2026	Business Line	Nava Telangana

GENERAL SHAREHOLDER INFORMATION

a) Details regarding Annual General Meeting

Date	Wednesday, 30th September, 2026
Time	11.00 a.m.
Venue	Annual General Meeting through Video conferencing / Other Audit Visual Means facility (Deemed venue for meeting: Registered Office i.e. NATCO House, Road No.2, Banjara Hills, Hyderabad 500 034, Telangana, India)

b) Financial Year

The Company adopted the financial year beginning on April 1 of every year and ending on March 31 of the following year. Accordingly, all the quarterly, half yearly and annual compliance are taken care of in accordance with the Act, Listing Regulations and other applicable Acts, rules and regulations.

c) Dividend Payment Date: NA

d) Listing on Stock Exchanges

The ISIN of the Company is INE987B01026.

Details of the Stock Exchanges in which the equity shares of the Company are listed as below:

Name of the Stock Exchange	Address	Scrip code
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	524816
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra(E), Mumbai - 400 051.	NATCOPHARM

The Company confirms that it has duly paid the annual listing fee for the year 2025-26 to the above-mentioned Stock Exchanges and the custodial fee for the year 2025-26 to both the Depositories, namely National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

e) Registrar and Share Transfer Agent

Venture Capital and Corporate Investments Private Ltd. (VCCIPL) is the Registrar and Share Transfer Agent of the Company which undertakes the Share Transfer/Transmission Work for both physical and electronic forms.

Address:

"Aurum", Door No. 4-50/P-II/57/4F & 5F, Plot No.57, 4th & 5th Floors,
Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500 032,
Telangana, India. Tel Nos.040-23818475/23818476/23868023/35164940
Fax No.040-23868024
Contact Person: Mr. P V Srinivas / Mr. Srirama Murthy
Email: investor.relations@vccipl.com

f) Distribution of shareholding

Nominal Value	Shareholders		Amount	
	Number	% to Total	In ₹	% to Total
Upto - 5000	427245	99.55	55998756	15.63
5001 - 10000	929	0.22	6836426	1.91
10001 - 20000	454	0.11	6533262	1.82
20001 - 30000	143	0.03	3585620	1.00
30001 - 40000	88	0.02	3075416	0.86
40001 - 50000	49	0.01	2227732	0.62
50001 - 100000	102	0.02	7281118	2.03
100001 and above	185	0.04	272681410	76.12
Total	**429195**	**100.00**	**358219740**	**100.00**

g) Dematerialisation of shares and liquidity

As on March 31, 2026, 99.81% of the shares of the Company are dematerialised. As the trading of your Company's shares is being conducted only in electronic form, all other members holding physical shares are requested to convert their shareholdings to electronic form at the earliest.

h) Reconciliation of Share Capital Audit Report

The Reconciliation of Share Capital Audit Report was prepared on a quarterly basis by Mrs. D. Renuka, Practicing Company Secretary (ACS No. 11963; CP No. 3460) as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 and the same were filed with the Stock Exchanges within the statutory time limits.

i) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any Global Depository Receipts or American Depository Receipts. There are no warrants or any convertible instruments outstanding as on March 31, 2026.

j) Commodity price risk or foreign exchange risk and hedging activities

The operations of the Company do not envisage any commodity price risk or material foreign exchange risk as the company has natural edge.

k) Plant locations

i) Pharma Division

Kothur Post & Mandal, Rangareddy District -509228, Telangana, India.

ii) Pharma Division - Parenterals

Vijayapuri North, Nagarjuna Sagar, Peddavura Mandal, Nalgonda District - 508202, Telangana, India.

iii) Chemical Division

Mekaguda, Nandigama Mandal, Rangareddy District - 509223, Telangana, India.

iv) R & D Division (NATCO Research Centre)

B-11, Industrial Estate, Sanathnagar, Hyderabad - 500018, Telangana, India.

v) Pharma Division

Plot No.A3, UPSIDC, Selaqui Industrial Area, Dehradun 248011, Uttarakhand, India.

vi) Chemical Division, Chennai

Sy. No.74/7B, Vaikkadu, TPP Salai, Manali, Chennai - 600 103, Tamilnadu, India.

vii) Pharma Division

DAG No.749, 750, Kokjhar Village, Revenue Circle, – Mirza, Kamrup (Rural), Guwahati 781 125, Assam, India.

viii) Pharma Division

Plot No.89 & 90, JNPC SEZ, Ramky Pharma City, Parawada (Village & Mandal), Unit-10, Visakapatnam-531 019, Andhra Pradesh, India.

ix) Crop Health Sciences (CHS) – Technical Unit

Plot No. 29, Sy. No. 56(P) & 60 (PAPIIC Industrial Park, Athivaram Village, Ozili Mandal, Tirupati District (Erstwhile Nellore District), Andhra Pradesh-524 421, India.

x) Crop Health Sciences (CHS) – Formulations Unit

Plot N0.3 & 8/1, Sy. No. 56 (P) & 60 (P), APIIC Industrial Park, Athivaram Village, Ozili Mandal, Tirupati District (Erstwhile Nellore District). Andhra Pradesh - 524421, India.

xi) R&D Division

Kothur Post & Mandal, Rangareddy District -509 228 Telangana, India.

l) Address for correspondence at Registered Office:

The Company Secretary, NATCO Pharma Limited,
NATCO House, Road No. 2, Banjara Hills,
Hyderabad – 500 034, Telangana, India
Tel. No.: 040-23547532, Fax No.: 040-23548243
Email: investors@natcopharma.co.in/ dasaradhi@natcopharma.co.in
Website: www.natcopharma.co.in

m) Credit Ratings

The Company's credit ratings from ICRA on long term borrowings is "AA" and on short term borrowings is "A1+"

OTHER DISCLOSURES

Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of listed entity at large

All related party transactions with related parties during the financial year 2025-26 were done in accordance with the provisions of the Act and the Listing Regulations. No materially significant transactions with related parties were entered during the financial year which was in conflict with the interest of the Company. None of the Non-Executive Directors have any pecuniary material relationship or material transactions with the Company for the year ended March 31, 2026. The Company had formulated a Related Party Transactions Policy which is available on the Company's Website at the following link: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://admin.natcopharma.co.in/wp-content/uploads/2025/06/Related-Party-Transaction-Policy.pdf

Details of non-compliance

No penalty, strictures has been imposed by any stock exchange, SEBI or SEC or any statutory authority nor has there been any instance of non-compliance with matters relating to the capital market over the last three years.

Whistle Blower Policy

The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy ensures that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Pursuant thereto, anyone can directly approach the Chairman of the Audit Committee or through Company Secretary to report any suspected or confirmed incident of fraud / misconduct. It is affirmed that no personnel has been denied access to the Audit Committee. The Whistle Blower Policy is available on the Company's website at the following link: https://admin.natcopharma.co.in/wp-content/uploads/2025/05/whistle-blower-policy-1.pdf

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per Listing Regulations and it is in the process of implementing non-mandatory requirements.

Policy for determining material subsidiaries

In terms of Listing Regulations, the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website at https://admin.natcopharma.co.in/wp-content/uploads/2025/05/DETERMINATION-OF-MATERIAL-SUBSIDIARIES-POLICY.pdf

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI(LODR) Regulations, 2015

The Company has not raised any funds through preferential allotment or qualified institutions placement during the current financial year and hence not applicable.

Certificate of Non-Disqualification of Directors

As required under Listing Regulations, a certificate from CS D. Renuka, Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the Board/Ministry of Corporate Affairs or any such statutory authority as on March 31, 2026. The Certificate is given as an annexure to this Report.

Where the Board had not accepted any recommendation of any Committee of the Board

During the Financial year under review, there were no instances where the Board of Directors has not accepted the recommendations made by the Committees of the Board.

Code of Conduct

The Company has laid down a "Code of Conduct" for all Board members and Senior Management Personnel. The members of the Board including Independent Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2026. A declaration to this effect signed by Vice Chairman & Chief Executive Officer is given as an annexure to this Report.

Certificate on Corporate Governance

Certificate from CS D Renuka, Company Secretary in Practice confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 read with Schedule V of the Listing Regulations is given as an annexure to this Report.

Details of the fees paid to Statutory Auditors

The details of the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor for the financial year ended March 31, 2026 as follows:

Particulars	Amount (₹ in millions)
Audit fees	12
Certification fees	3
Reimbursement of expenses	1
Other services	-
Total	**16**

Legal Compliance

The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of the Compliance of laws applicable to the Company and steps taken to rectify non-compliance, if any. There were no instances of material non-compliance and strictures imposed on the Company either by SEBI, Stock Exchange or any statutory authority, on any matter related to capital markets, tax / excise/ customs matters, and such other related matters during the last three years.

Environmental Policy

Our Company complies with all the applicable environmental legislations and regulations, by incorporating suitable modern techniques for combating the environmental pollutants and to ensure the compliance. We have adopted state of the art technologies for treatment and recycling of effluents, recycling of wastes, converting wastes to by-products and energy, conservation of natural resources, energy efficiency, rain-water harvesting, etc. A number of initiatives and programmes conducted to create awareness among our employees & all our stakeholders. Our well-defined Environment, Health and Safety (EHS) policy over the year built a framework for setting and reviewing of environmental objectives and targets for continual improvement.

PREVENTION OF INSIDER TRADING

Your Company has in place Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which is in adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The disclosures received pursuant to this Code and the regulations are disseminated to the Stock Exchanges within the prescribed time limit. The Code is available on the Company's website at the following link:

https://admin.natcopharma.co.in/wp-content/uploads/2025/06/CODE-OF-CONDUCT-TO-REGULATE-MONITOR-AND-REPORT-TRADING-BY-DESIGNATED-PERSONS.pdf

https://admin.natcopharma.co.in/wp-content/uploads/2025/06/CODE-OF-PRACTICES-AND-PROCEDURES-FOR-FAIR-DISCLOSURE-OF-UNPUBLISHED-PRICE-SENSITIVE-INFORMATION-1.pdf

UNCLAIMED DIVIDEND

Pursuant to Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), mandates that Companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more also be transferred to the IEPF.

The following table provides list of years for which unclaimed dividends would become eligible to be transferred to the IEPF on the dates mentioned below:

Year	Type of Dividend	Dividend per share (₹)	Date of declaration	Due date of transfer	Amount (₹) as on March 31, 2026*
2018-19	3rd Interim	1.25	May 27, 2019	July 3, 2026	7,84,735.00
2019-20	1st Interim	1.25	August 9, 2019	September 15, 2026	7,21,112.50
	2nd Interim	1.00	November 12, 2019	December 19, 2026	6,06,917.00
	3rd Interim	3.50	February 12, 2020	March 20, 2027	20,42,026.00
	4th Interim	1.00	June 17, 2020	July 24, 2027	5,80,833.45

Year	Type of Dividend	Dividend per share (₹)	Date of declaration	Due date of transfer	Amount (₹) as on March 31, 2026*
2020-21	1st Interim	1.25	August 12, 2020	September 18, 2027	6,06,209.75
	2nd Interim	3.00	November 12, 2020	December 19, 2027	12,73,831.35
	3rd Interim	1.00	February 11, 2021	March 20, 2028	5,76,647.26
2021-22	1st Interim	2.00	August 12, 2021	September 18, 2028	10,29,945.58
	2nd Interim	0.50	November 11, 2021	December 18, 2028	2,89,928.27
	3rd Interim	2.00	February 14, 2022	March 23, 2029	10,30,775.66
2022-23	1st Interim	3.50	August 9, 2022	September 15, 2029	12,56,847.13
	2nd Interim	0.75	November 10, 2022	December 17, 2029	3,30,701.59
	3rd Interim	1.25	February 9, 2023	March 18, 2030	4,88,026.62
2023-24	1st Interim	7.00	August 9, 2023	September15, 2030	22,19,374.03
	2nd Interim	1.25	November 14, 2023	December 21, 2030	4,85,228.74
	3rd Interim	1.25	February 14, 2024	March 22, 2031	4,40,849.87
2024-25	1st Interim	3.00	August 12, 2024	September 18, 2031	11,39,968.77
	2nd Interim	1.50	November 12, 2024	December 19, 2031	5,40,313.49
	3rd Interim	1.50	February 12, 2025	March 21, 2032	4,71,199.62
2025-26	1st Interim	2.00	August 12, 2025	September 18, 2032	6,15,481.40
	2nd Interim	1.50	November 14, 2025	December 21, 2032	4,79,843.71
	3rd Interim	1.50	February 12, 2026	March 21, 2033	5,49,991.71

* The amount does not include the Unclaimed dividend amount of shares held in Unclaimed Suspense Account of the Company.

The Company sends intimation to the shareholder(s) concerned, advising them to lodge their claims with respect to unclaimed dividends. Shareholder(s) may note that both the unclaimed dividend and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF by following the procedure prescribed in the Rules which were available in the website, no claim(s) of whatsoever nature shall lie in respect thereof with the Company.

DIVIDEND REMITTED TO IEPF DURING THE LAST SIX YEARS

Year	Dividend declared on	Amount transferred to IEPF (₹)	Date of Transfer
2013-2014	February 13, 2014	12,72,520.00	March 22, 2021
2014-2015	February 11, 2015	10,41,030.00	March 19, 2022
2015-2016	February 11, 2016	14,55,091.00	March 19, 2023
2016-2017 (1st Interim)	August 9, 2016	8,72,873.00	September 13, 2023
2016-2017 (2nd Interim)	February 14, 2017	49,49,964.00	March 16, 2024
2017-2018 (1st Interim)	August 7, 2017	14,03,558.00	September 6, 2024
2017-2018 (2nd Interim)	February 6, 2018	39,32,509.00	March 10, 2025
2018-2019(1st Interim)	August 8, 2018	8,94,155.00	September 11, 2025
2018-2019(2nd Interim)	February 12, 2019	19,86,513.00	March 11, 2026

The status of unclaimed shares of the Company transferred to a demat account "NATCO Pharma Limited – Unclaimed Suspense Account", in accordance with Listing Regulations, are given below:

Particulars	No. of shares
Aggregate number of shareholders and outstanding shares held in the Unclaimed Suspense Account as on April 1, 2025	19,600
Number of shareholders and shares transferred to IEPF	19,300
Number of shareholders / legal heirs to whom the shares were transferred from the unclaimed suspense account upon receipt of and verification of necessary documents during the year 2025-26	300
Aggregate number of shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2026	Nil

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

The Members of
NATCO Pharma Limited

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's Website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect for the Financial Year ended March 31, 2026.

For NATCO Pharma Limited

Rajeev Nannapaneni
Vice Chairman & CEO
DIN: 00183872

Place: Hyderabad
Date: August 14, 2026

CEO AND CFO CERTIFICATION TO THE BOARD

(as per 17(8) of Listing Regulations)

The Board of Directors,
NATCO Pharma Limited

A. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2026 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

D. We have indicated to the auditors and the Audit Committee

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad
Date: May 29, 2026

Rajeev Nannapaneni
Vice Chairman & Chief Executive Officer
DIN: 00183872

Amit Parekh
Chief Financial Officer
M. No. ACA 062963

CERTIFICATE OF COMPLIANCE

The Members of
NATCO Pharma Limited
NATCO House, Road # 2, Banjara Hills
Hyderabad 500 034,
Telangana, India

I have examined the compliance of conditions of Corporate Governance by **M/s. NATCO Pharma Limited**, for the year ended March 31, 2026 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to review of the procedure and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

No Investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable.

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

Durbha Renuka
Practicing Company Secretary
ICSI Peer Review Cert No. 7501/2025
UDIN: A011963H001107631

Place: Hyderabad
Date: August 14, 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
M/s. NATCO Pharma Limited
NATCO House, Road # 2,
Banjara Hills, Hyderabad 500 034,
Telangana, India.

I had examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. NATCO Pharma Limited having CIN: L24230TG1981PLC003201** and having registered office at NATCO House, Road # 2, Banjara Hills, Hyderabad, 500 034, Telangana, India and (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 clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officer.

I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2026 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:

Sl. No.	Name of the Director	DIN	Date of Appointment in the Company
1.	Venkaiah Chowdary Nannapaneni	00183315	September 19, 1981
2.	Rajeev Nannapaneni	00183872	November 30, 2005
3.	Potluri Prasad Sivaramakrishna	07011140	November 12, 2014
4.	Dr. Lingarao Donthineni	07088404	February 11, 2015
5.	Agnihotra Dakshina Murty Chavali	00374673	April 1, 2024
6.	Vijaya Bhaskar Dronadula	07158951	April 1, 2024
7.	Lakshminarayana Bolisetty	02766709	August 12, 2024
8.	Dr. Suma Kantipudi	02734369	August 12, 2024
9.	Nitin Jain	00136245	August 12, 2024

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.

Durbha Renuka
Practicing Company Secretary
ICSI Peer Review Cert No. 7501/2025
UDIN: A011963H001107596

Place: Hyderabad
Date: August 14, 2026

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24230TG1981PLC003201
2.	Name of the Listed Entity	NATCO Pharma Limited
3.	Date of incorporation	19-09-1981
4.	Registered office address	Natco House, Road No.2, Banjara hills, Hyderabad - 500034, Telangana, India
5.	Corporate address	Natco House, Road No.2, Banjara hills, Hyderabad - 500034, Telangana, India.
6.	E-mail	investors@natcopharma.co.in
7.	Telephone	Tel: 040 23547532
8.	Website	https://www.natcopharma.co.in/
9.	Financial year for which reporting is being done	April 1, 2025 to March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and the BSE Limited
11.	Paid-up Capital	358 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. PSRK Prasad, Director and Executive Vice President, Corporate Engineering Services, Tel: 8542 226611 psrk@natcopharma.co.in
		Mr. Rajesh Chebiyam, Executive Vice President, Crop Health Sciences, Tel: 040 2354 7532 rajesh.chebiyam@natcopharma.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures are made in this report on a Standalone basis.
14.	Name of assurance provider	DNV Business Assurance India Private Limited
15.	Type of assurance obtained	Limited Assurance

II. Products and Services

16. Details of business activities (accounting for 90% of turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing and sale of pharmaceutical products	NATCO operates in two different business segments: Pharmaceuticals and agrochemicals. With the pharma business segment, the Company drives its sales through Finished Dosage Forms (FDFs) and Active Pharmaceutical Ingredients (APIs).	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of pharmaceuticals, medicinal chemicals including Active Pharmaceutical Ingredients (API) and Finished Dosage Formulations	210	>90%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	9 Manufacturing units and 2 R&D centres	1	12

19. Markets served by entity:

a. Number of Locations

Locations	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	50+

b. What is the contribution of exports as a percentage of the total turnover of the entity?

74% contribution of exports as a percentage of the total turnover of the entity.

c. A brief on types of customers

Our customer base spans a diverse range of stakeholders, including distributors, stockists, hospitals and government agencies. We also cater to leading global generic pharmaceutical companies, regional market leaders and country-level partners across various countries and territories, ensuring comprehensive market coverage and strategic alignment.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		EMPLOYEES				
1.	Permanent (D)	3935	3564	90.57%	371	9.43%
2.	Other than Permanent (E)	209	161	77.03%	48	22.97%
3.	**Total employees (D + E)**	**4144**	**3725**	**89.89%**	**419**	**10.11%**
		WORKERS				
4.	Permanent (F)	498	450	90.36%	48	9.64%
5.	Other than permanent (G)	418	344	82.30%	74	17.70%
6.	**Total workers (F + G)**	**916**	**794**	**86.68%**	**122**	**13.32%**

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		DIFFERENTLY ABLED EMPLOYEES				
1.	Permanent (D)	5	4	80%	1	20%
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	**5**	**4**	**80%**	**1**	**20%**
		DIFFERENTLY ABLED WORKERS				
4.	Permanent (F)	1	1	100%	0	0%
5.	Other than permanent (G)	1	1	-	-	-
6.	**Total differently abled workers (F + G)**	**2**	**2**	**100%**	**0**	**0%**

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11%
Key Management Personnel	2	0	0%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the Previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18.90%	18.79%	18.89%	18.99%	17.24%	18.80%	19.79%	23.79%	20.21%
Permanent Workers	2.93%	0.82%	2.69%	1.90%	3.20%	2.05%	4.55%	3.86%	4.47%

Note: the data has been reconsidered for FY 2024-25 and FY 2023-24

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	NATCO Pharma Inc.	Subsidiary	100%	No
2.	NATCO Pharma (Canada) Inc.	Subsidiary	100%	No
3.	Time Cap Overseas Limited	Subsidiary	100%	No
4.	NATCO Farma Do Brasil Ltda.	Step-down subsidiary	100%	No
5.	NATCO Pharma Asia Pte Ltd.	Subsidiary	100%	No
6.	NATCO Pharma Australia Pty Ltd.	Subsidiary	100%	No
7.	NATCO Life Sciences Philippines Inc.	Subsidiary	100%	No
8.	NATCO Pharma USA LLC	Step-down subsidiary	100%	No
9.	PT. NATCO Lotus Farma**	Subsidiary	100%	No
10.	NATCO Pharma Colombia S.A.S	Subsidiary	100%	No
11.	NATCO Pharma UK Limited	Subsidiary	100%	No
12.	NATCO Pharma South Africa Proprietary Limited	Subsidiary	100%	No
13.	Adcock Ingram Holdings Proprietary Limited	Associate	35.75%*	No
14.	NATCO Crop Health Sciences Limited	Subsidiary	100%	No

*Increased the stake to 49% in July 2026.
** Increased from 51% to 100%

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover (in ₹): 35,946 million

(iii) Net worth (in ₹): 85,526 million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	–	–	–	–	–	–
Investors (other than shareholders)	Yes	–	–	–	–	–	–
Shareholders	Yes	473	0	–	407	0	-
Employees and workers	Yes	–	–	–	–	–	–
Customers	Yes	–	–	–	–	–	–
Value Chain Partners	Yes	–	–	–	–	–	–

Web link for Stakeholder Grievance Redressal Policy: https://admin.natcopharma.co.in/wp-content/uploads/2026/08/Stake-holders-grievance_07032026125012.pdf

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Capital Linkages	SDG Linkages
1	Energy and emissions	Opportunity	We have established targets to reduce GHG emissions across our operations, supported by key initiatives such as procurement of renewable electricity, deployment of captive solar energy systems and the utilization of briquette-fired boilers to achieve these reductions.	We aim to increase our percentage of renewable energy share to 35% by the end of 2035. Along with that, our goal is to become carbon neutral by 2050.	Positive: Key inherent benefits include optimization of overall energy costs and a reduction in emissions.	Natural Capital	
2	Water management	Risk and Opportunity	**Risk:** Water is essential for pharmaceutical manufacturing and is a main input in the production, formulation and processing of APIs, intermediates and finished products. It is also extensively utilized in manufacturing and cleaning operations. Accordingly, effective water management is essential to our operational efficiency and sustainability. **Opportunity:** We are committed to responsible water stewardship across all our facilities. We are addressing the risks associated with water scarcity, pollution and regulatory compliance while contributing to long term sustainability of its operations and communities we serve through continuous monitoring and optimization of water consumption wastewater treatment and recycling, rooftop rainwater collection and reuse, rainwater harvesting, reuse and recharge systems at our facilities.	We have recycled 47.10% of water in FY 2025-26 at our facilities. Our key initiatives in water stewardship include adoption of water saving technologies, ensuring compliance with regulations. Monitoring water consumption, treatment and recycling of wastewater as well as rainwater harvesting.	**Negative:** Costs associated with water scarcity, pollution, and regulatory non-compliance, including potential fines and penalties. **Positive:** It reflects a strong financial outlook, supported by our efforts to reduce costs and optimize water usage.	Natural Capital	

S No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Capital Linkages	SDG Linkages
3	Climate change	Risk and Opportunity	**Risk:** Extreme weather events, rising sea levels, and regulatory changes associated with climate change pose risks to operations, supply chains, and infrastructure. **Opportunity:** It further enables opportunities in product innovation, energy efficiency improvements, and wider adoption of renewable energy.	Our goal is to reach 35% renewable energy in our energy mix by 2035 and carbon neutrality by 2050. In FY 2025-26, we achieved 18.47% of RE in our energy mix.	**Negative:** Financial impacts of climate-related damages and regulatory compliance obligations. **Positive:** Managing climate-related risks to minimize associated financial losses.	Natural Capital	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
4	Waste management	Risk	Non-compliance in waste management and environmental standards can lead to environmental harm, legal liabilities, financial penalties, and reputational damage. We are committed to responsible waste management practices through waste minimization. We are committed to responsible waste management practices through waste minimization, segregation, reuse, recycle wherever practicable and disposing the wastes to the authorized recyclers/re-processors.	We ensure our production facilities operate in line with established standards by adhering to best practices. We are committed to minimizing waste generation, across operations, while promoting recycling and reuse and reducing landfill dependency.	Negative: Costs incurred from waste disposal, regulatory penalties, and environmental remediation activities.	Natural Capital	13 CLIMATE ACTION

S No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Capital Linkages	SDG Linkages
5	Health and safety	Risk and Opportunity	**Risk:** Health and safety incidents may lead to production disruptions and negatively affect the well-being of employees and workers. **Opportunity:** Enhancing competitive advantage through a culture of care, by pivoting from regulatory compliance to a holistic wellbeing strategy, encompassing both physical and mental health. Proactive investments in health and safety directly reduce employee turnover, lower recruitment costs, and boost overall workforce engagement and productivity.	We have implemented a robust EHS policy demonstrating our commitment to employee health and safety across all operations. All our manufacturing and R & D facility are certified under ISO 14001:2015 EMS and ISO 45001:2018 OHS management systems.	Negative: Costs arising from workplace incidents, such as medical expenses, legal charges, and regulatory penalties, as well as resulting in loss of productivity. Positive: Reduced downtime through efficient systems and processes in place.	Human Capital	
6	Employee engagement and development	Opportunity	Employees with strong skills and training demonstrate higher efficiency, creativity, and commitment. Investing in their development fosters talent retention and improves organizational performance.	Facilitating continuous training and development, encouraging transparent communication, acknowledging and rewarding accomplishments, and supporting a healthy work-life balance	Positive: Increased employee productivity drives higher efficiency and output, strengthens talent retention, and supports a positive workplace culture.	Human Capital	
7	Community engagement and development	Opportunity	Active engagement with local communities and investment in community development initiatives help build strong relationships, strengthen brand reputation, and demonstrate corporate social responsibility.	Engaging in community outreach programs, supporting local initiatives, valuing community feedback, and proactively addressing local needs and concerns.	Positive: Beneficial societal impact, better community relations, and improved brand image.	Social & Relationship Capital	

S No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Capital Linkages	SDG Linkages
8	Corporate Governance and Business Ethics	Risk and Opportunity	**Risk:** Failure to uphold strong corporate governance and business ethics standards may lead to regulatory and reputational issues. **Opportunity:** Corporate governance and business ethics are not limited to ethical conduct; they also drive business value by strengthening trust, attracting capital, mitigating risks, and enabling sustainable long-term growth. Our focus on excellence promotes an ethical culture that enhances stakeholder trust and loyalty.	We maintain a robust governance framework supported by a Code of Conduct for regulating insider trading, a Code of Fair Disclosure for Unpublished Price Sensitive Information, and a Code of Conduct applicable to Directors, Senior Management Personnel, and Employees. These policies help ensure ethical conduct, transparency, accountability, and regulatory compliance across the organization.	Negative: Non-compliance with relevant regulatory standards could negatively impact the Company's reputation and compromise its long-term operational continuity. Positive: Implementing strong governance policies and procedures contributes meaningfully to the Company's long-term business sustainability.	Intellectual Capital	
9	Product Quality and Safety	Risk and Opportunity	**Risk:** Compromising pharmaceutical product quality can directly impact patient health and well-being and may also lead to non-adherence to GMP standards, including Good Laboratory, Manufacturing, and Clinical Practices. **Opportunity:** We believe superior product quality is fundamental to customer trust. We maintain stringent standards of quality, safety, and efficacy, ensuring full regulatory compliance and enhanced customer satisfaction. Continuous investment in quality assurance processes helps mitigate risks of recalls and non-compliance.	We maintain strict adherence to GMP by ensuring detailed testing of inputs and outputs, validated manufacturing processes, and periodic facility inspections. In addition, we enforce strong quality assurance controls and a well-established pharmacovigilance system to uphold safety and compliance standards.	Negative: Decrease in market share, financial deterioration, and discontinuation of products. Positive: Maintaining high product quality strengthens customer trust, driving business growth, and increased revenue.	Intellectual Capital	
10	Diversity and inclusion	Opportunity	A diverse and inclusive work environment fosters creativity, and employee engagement. Embracing diversity enhances decision-making and cultivates a culture of inclusion and belonging.	Driving diversity and inclusion initiatives, promoting equality, providing training on inclusive practices, and fostering a workplace culture built on respect and acceptance.	Positive: Enhanced employee morale and retention, boosted productivity, and a stronger brand reputation as an inclusive employer.	Human Capital	

S No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Capital Linkages	SDG Linkages
11	Supply chain management	Risk and Opportunity	**Risk:** Despite these efforts, supply chain disruptions may still occur and affect our operations. **Opportunity:** We manage our supply chain proactively to optimize resource allocation, improve efficiency, and ensure a steady supply flow.	Increasing visibility across the supply chain, widening supplier networks, assessing risks, and implementing contingency planning.	Negative: Disruption in production can cause revenue loss and delays in fulfilling delivery timelines. Positive: An effective supply chain minimizes disruptions, leading to improved efficiency and overall performance.	Social & Relationship Capital	
12	Data privacy	Risk	**Risk:** Risks related to the loss of trade secrets, unintended disclosure of sensitive information, and cyberattacks from external sources.	We enforce robust data security protocols, comply with applicable privacy regulations, encrypt sensitive information, and train employees on data protection practices. Advanced firewalls, up-to-date antivirus and anti-malware solutions, and other security measures are deployed to protect data from internal and external threats.	Negative: Economic losses linked to data breaches.	Intellectual Capital	
13	Human rights	Risk	Human rights issues in operations or supply chains may result in legal action, reputational impact, and reduced customer trust.	Implementing human rights due diligence, transparent redressal, grievance mechanism and addressing human rights issues.	Negative: Potential legal liabilities, regulatory penalties, employee compensation claims, increased employee turnover and recruitment costs, productivity losses due to workforce dissatisfaction, and reputational damage impacting business performance and stakeholder confidence.	Human Capital	
14	Access and affordability	Opportunity	Ensuring access to healthcare enhances patient outcomes, supports public health priorities, and fosters overall community well-being.	Implementing access programs, adopting equitable pricing strategies, and building partnerships to enhance the availability of medicines	Positive: Increased market presence, improved brand credibility, positive social impact, and higher customer retention.	Social & Relationship Capital	

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes, we follow all National Guidelines on Responsible Business Conduct (NGRBC) principles through various internal policies and practices. In addition, we have several other policies that support and reflect the core principles of the NGRBC.								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	We have our Corporate Governance Policy in place: Corporate Governance Policies Our Business Responsibility Policy: Business Responsibility Policies We have also attached an Annexure 1 below to provide individual weblink of each of the policies.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	P1-USFDA, ANVISA (Brazil), WHO GMP, TGA (Australia), EU GMP, WHO – GMP (CDSCO), Health Canada, Turkey MOG, Germany – Landesamt Hessen, Ukraine, Zazibona – MCAZ- Zimbabwe, CDSCO & DCA, EU Audit (Greece), FMHACA (Ethiopia), State GMP Certification								
	P2-USFDA, ANVISA (Brazil), WHO GMP, TGA (Australia), EU GMP, ISO 14001:2015, WHO – GMP (CDSCO), Health Canada, SFDA, Turkey MOG, Germany – Landesamt Hessen, Ukraine, Zazibona – MCAZ- Zimbabwe, CDSCO & DCA, EU Audit (Greece), FMHACA (Ethiopia), State GMP Certification								
	P3- ISO 45001: 2018								
	P4-								
	P5- ISO 45001: 2018								
	P6-USFDA, ANVISA (Brazil), WHO GMP, TGA (Australia), EU GMP, ISO 14001:2015, WHO – GMP (CDSCO), Health Canada, Turkey MOG, Germany – Landesamt Hessen, Ukraine, Zazibona – MCAZ- Zimbabwe, CDSCO & DCA, EU Audit (Greece), FMHACA (Ethiopia), State GMP Certification, ISO 14001:2015								
	P7-								
	P8-As per the CSR Rules prescribed under the Companies Act, 2013								
	P9-USFDA, ANVISA (Brazil), WHO GMP, TGA (Australia), EU GMP, WHO – GMP (CDSCO), Health Canada, Turkey MOG, Germany – Landesamt Hessen, Ukraine, Zazibona – MCAZ- Zimbabwe, CDSCO & DCA, EU Audit (Greece), FMHACA (Ethiopia), State GMP Certification, Central Insecticide Board, Faridabad								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	**Note 1** Refer to Note 1 where we have mentioned our specific goals, commitment and targets along with the current performance status against each commitment, targets and goals.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									

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

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

At Natco Pharma Limited, we are committed to advancing healthcare through innovative, quality, and accessible specialty medicines. Our strong foundation in research and development enables us to address complex therapeutic needs while creating meaningful value for patients, partners, and society at large. Beyond delivering medicines, we strive to create a broader impact by embedding sustainability, responsibility, and inclusive growth into our core business strategy.

Our ESG journey continues to evolve alongside emerging global challenges. As a manufacturing-driven pharmaceutical organization, we recognize climate change, resource efficiency, and regulatory expectations as key areas requiring sustained focus. In response, we have set clear environmental targets, including increasing the share of renewable energy in our overall energy mix to 35% by 2035 and achieving carbon neutrality by 2050. We are also advancing our water stewardship efforts, with a focus on achieving water neutrality at key facilities, alongside strengthening circular waste management practices.

On the social front, ensuring equitable access to affordable medicines, fostering an inclusive workplace, and contributing meaningfully to community development remain central to our approach. We continue to invest in employee well-being, diversity, and capability building, while expanding our community initiatives in healthcare, education, and social empowerment. Our commitment to product quality and patient safety remains unwavering, supported by responsible product stewardship across the value chain.

From a governance perspective, we are focused on strengthening transparency, ethical conduct, and risk management practices in an increasingly complex business environment. We have implemented robust governance frameworks, reinforced responsible sourcing through our Sustainable Sourcing Policy, and are progressing towards ISO 27001 certification to enhance our information security systems.

We have made steady progress across our ESG priorities, particularly in expanding renewable energy adoption, improving water recycling efficiency, and sustaining high levels of landfill diversion across the some of our manufacturing facilities. These achievements reflect our structured and disciplined approach towards integrating ESG into business operations.

As we move forward, we remain focused on addressing evolving ESG challenges while delivering on our commitments with accountability and transparency. Our approach to healing beyond medicine reflects a broader responsibility—to drive innovation that not only improves patient outcomes but also contributes to a more sustainable, inclusive, and resilient future for all stakeholders.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the board level ESG Committee and also ESG Core Committee headed by a director and all the key functional heads and site heads as members to develop and review sustainability related ESG policies, goals, and programs of the company.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, review was undertaken by the Director.									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, review was undertaken by the Director.									Annually								

11.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No, the company internally reviews working of the above-mentioned policies.								

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

Not Applicable.

Annexure 1

Name of the Policy	Weblink
P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	
Natco Pharma conducts its business activities with utmost importance to ethics, transparency, and accountability.	
Whistle Blower Policy	Policy Link
Code of Conduct for Board Members, Senior Management Personnel and Employees	Policy Link
Related Party Transaction Policy	Policy Link
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	Policy Link
Materiality Policy	Policy Link
Code Of Conduct to Regulate, Monitor and Report Trading by Designated Persons	Policy Link
Dividend Distribution Policy	Policy Link
Determination of Material Subsidiaries Policy	Policy Link
Composition of Committees	Policy Link
Policy on Preservation of Documents and Archival	Policy Link
Nomination and Remuneration Policy	Policy Link
Anti-Corruption / Anti-Bribery Policy	Policy Link
In addition to the above, there are other policies and rules, which are internal documents of the Company and are accessible to the employees of the Company on Intranet.	
P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	
Natco Pharma has drafted several policies to contribute to sustainability throughout its operations.	
Environment, Health and Safety Policy	Policy Link
Sustainable Procurement Policy	Policy Link
P3 Businesses should promote the well-being of all employees.	
The Company has adopted various employee-oriented policies in line with the general laws and regulations and sound ethical practices.	
Equal Opportunity Policy	Policy Link
Environment, Health and Safety Policy	Policy Link
Stakeholder Engagement Policy	Policy Link
Human Rights Policy	Policy Link
Stakeholder Grievance Redressal Policy	Policy Link
P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	
The Company respects the interest of all its stakeholders, including those who are disadvantaged, vulnerable & marginalized.	
Whistle Blower Policy	Policy Link
Risk Management Policy	Policy Link
Dividend Distribution Policy	Policy Link
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	Policy Link
Materiality Policy	Policy Link
Determination of Material Subsidiaries Policy	Policy Link
Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons	Policy Link
Stakeholder Engagement Policy	Policy Link
Stakeholder Grievance redressal Policy	Policy Link

Name of the Policy	Weblink
P5 Businesses should respect and promote human rights.	
Natco Pharma strives to safeguard and uphold human rights in all ways possible.	
Human Rights Policy	Policy Link
Nomination and Remuneration Policy	Policy Link
Equal Opportunity Policy	Policy Link
Stakeholder Grievance Redressal Policy	Policy Link
P6 Businesses should respect, protect, and make efforts to restore the environment.	
The company takes various sustainability principle into account for restoring the environment.	
Environment, Health and Safety Policy	Policy Link
P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	
The company considers all the regulatory policies and abides by them.	
Stakeholder Engagement Policy	Policy Link
Responsible Advocacy Policy	Policy Link
P8 Businesses should support inclusive growth and equitable development.	
The company supports growth and development of all its employees, workers, and individuals associated in its value chain activities.	
Stakeholder Engagement Policy	Policy Link
CSR Policy	Policy Link
Stakeholder grievance redressal Policy	Policy Link
P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.	
The company prioritizes the customers and has drafted specific policies to serve them better.	
Data Privacy and cybersecurity Policy	Policy Link
Stakeholder Engagement Policy	Policy Link
Stakeholder grievance redressal Policy	Policy Link

Annexure 2

Plant	Certification / Standard / Principle mapped
Mekaguda, Telangana	P1, P2, P6, P9: USFDA, ANVISA (Brazil), WHO GMP, TGA (Australia), EU GMP P2 & P6: ISO 14001:2015 P3 & P5: ISO 45001:2018
Manali, Chennai, Tamil Nadu	P1, P2, P6, P9: USFDA, WHO GMP, ANVISA (BRAZIL), WHO – GMP (CDSCO) P2 & P6: ISO 14001:2015 P3 & P5: ISO 45001:2018
Kothur, Telangana	P1, P2, P6, P9: USFDA, WHO GMP, EU GMP, TGA (Australia), ANVISA (Brazil), Health Canada, SFDA, Turkey MOG, Germany – Landesamt Hessen, Ukraine, Zazibona – MCAZ-Zimbabwe, CDSCO & DCA, EU Audit (Greece) P2 & P6: ISO 14001:2015 P3 & P5: ISO 45001:2018
Nagarjuna Sagar, Telangana	P1, P2, P6, P9: WHO GMP, ANVISA (Brazil), FMHACA (Ethiopia), Health Canada
Dehradun, Uttarakhand	P1, P2, P6, P9: State GMP Certification, WHO GMP P2 & P6: ISO 14001:2015 P3 & P5: ISO 45001:2018
Guwahati, Assam	P1, P2, P6, P9: WHO GMP P2 & P6: ISO 14001:2015 P3 & P5: ISO 45001:2018
Visakhapatnam, Andhra Pradesh	P1, P2, P6, P9: USFDA, ANVISA (Brazil), Health Canada P2 & P6: ISO 14001:2015 P3 & P5: ISO 45001:2018
Athivaram, Andhra Pradesh — Technical and Formulation unit	P9: Central Insecticide Board, Faridabad, ISO 9001:2015 P2 & P6: ISO 14001:2015 P3 & P5: ISO 45001 :2018
All Locations	P8: As per CSR rules under Companies Act, 2013

Note1:

Focus Area	Commitments/ Goals/ Targets	Current Performance
Principle 1: Ensuring good governance practices	• Ensure Compliance with applicable regulations	• Reported zero incidents for non-compliance in FY 2025-26
Principle 2: Ensuring product safety and service quality	• Obtain ISO 14001 – 2015: EMS certification for all our manufacturing facilities by 2025-26	• All our manufacturing facilities and R&D centre have been certified with ISO 14001 – 2015 certification
Principle 6: Our Commitment towards Environment	• Enhancing renewable energy component in our energy mix to 35% by 2035	• We have achieved 18.47% of renewable energy component in our energy mix
	• Achieve Carbon Neutrality by 2050	• Achieved total on-site solar power of 30,625 GJ across facilities and wind power of 31,739 GJ • Total onsite solar & Wind installed capacity of 12.01 MW • Procured 16,928 GJ of renewable energy through Power Purchase Agreements (PPAs)
	• Achieve water neutrality for our API units at Mekaguda and Chennai by FY 2025-26	• 64.92% water recycled at our Chennai unit • 62.19% water recycled at Mekaguda Unit
	• Enhancing % of Renewable Energy component in fuel from 2.9% (2024-25) to 3.5% in 2025-26 and 5.7% in 2026-27	• Renewable fuels contributed 10.7% of the total fuel energy consumed, driven by the use of biomass-based fuels
	• Additional Onsite Solar facilities by: **FY 2026-27** a) Dehradun Unit – 65 kW b) Chennai Unit – 200 kW c) Vizag Unit – 520 kW d) Kothur Unit – 600 kW	• 60 kW onsite solar facility at Dehradun site – on going and targeted for completion FY 26-27 • 448kW on site solar facility at Chennai plant is targeted by FY 26-27 • 500 kW onsite solar facility at the Vizag plant targeted by FY 26-27 • 777.5 KW onsite solar facility at Kothur plant is targeted for completion by FY 26-27 • Enhancement of 500 kW onsite solar facility at Mekaguda – completed during FY 25-26.
	• Obtain CII Green Co certification for 50% of our manufacturing facilities by 2027-28	• The formulation plants located at Nagarjuna Sagar and Vizag have targeted for CII GreenCo Certification process and targeted by FY 2027-28
Principle 8 Our Social Commitment	• Aiming to enhance early childhood education outcomes by deploying an additional educators across Anganwadi Centres (AWCs), directly benefiting 500 children in the 3 - 6 year age group. The intervention will focus on delivering structured, high quality, play-based learning using the RIVER Multi- Grade Multi-Level (MGML) pedagogy	• Strengthen early childhood education by deploying additional educators across Anganwadi Centres in 3 mandals of Telangana, delivering structured, play-based learning that enhances school readiness and holistic development for 1,800 children aged 2.5 - 6 years

Focus Area	Commitments/ Goals/ Targets	Current Performance
	• Improve FLN (Foundational Literacy and Numeracy) outcomes with a partner organization in 1356 schools in 2 districts of Telangana	• Improve foundational literacy and numeracy outcomes by implementing targeted learning interventions for students in government primary and upper primary schools, reaching 2,800 students across 3 mandals in Telangana to achieve grade-appropriate competencies
	• Construction of Secondary Eye Care Centre at Munipalli, Guntur, in collaboration with LVPEI (FY 25-13th January, 2025	• Inaugurated on 13th January 2025 • 8,367 out patients have utilized this facility
	• Annex to the existing Block at NATCO Cancer Centre in Guntur General Hospital (FY 27)	• The construction work is annex to the block with 100 bed facility at Cancer Centre at Guntur General Hospital is under progress. Civil works largely completed. Targeted for completion during FY 26-27
Principle 9 Ensuring value to our customers in a responsible manner	• Obtain ISO 27001: Information security management certification by FY 2025-26	• Zero customer complaints on customer data privacy and cyber security in financial year • ISO 27001 certification is under progress and targeted completion by FY 2026-27
	• Zero Reportable Incidents	• 4 reportable incidents occurred
	• Obtain ISO 45001 –2018 (Occupational Health and Safety Management) certification for all our manufacturing facilities by FY 2025-26	• All our manufacturing facilities and R&D centre have been certified with ISO 45001 – 2018 certification
	• Digitization of manual log books (e-log)/ Electronic Document Management systems (e-DMS)	• Digitization of Manual logbooks (e-logs) is under progress at Mekaguda and Kothur, it will be implemented during FY 26-27
	• Digitization of learning management systems at Kothur, Nagarjuna Sagar and Vizag by 2026-27	• Digitization of learning management system was implemented at two of our plants (Kothur and Nagarjuna Sagar) during FY 2025-26 and planned for implementation at Vizag plant during 2026-27
	• Impart training to employees and workers for 40 hours/person/ year by FY 2025-26	• imparted training to employees and workers for 68 hours/person/year

New Goals/Targets

Focus Area	Commitments/Goals/Targets
Principle 2 Ensuring product safety and service quality	Undertake ESG Assessment of Tier-1 suppliers through ESG checklist • Targeted to assess at least 5% of Tier-1 Suppliers in FY 2026-27 • Assess at least 15% of Tier-1 suppliers in FY 2027-28.
	Conduct ESG awareness programs for value chain partners • 2 ESG awareness programs in FY 2026-27 • Covering 50% of value chain partners in FY 2027-28.
	Suppliers' sustainability policy formal commitment from value chain partners of the Company's supply chain policy • Obtain signed supply chain policy from at least 50% of value chain partners by FY 2027-28.
Principle 6 Our Commitment towards Environment	Digitization of literature for domestic projects at the Kothur Plant during FY 2026-27, Additional 1500 KW solar facility at Mekaguda plant with electric boiler is targeted by 2027-28, instead of 2000 KW with battery storage facility for 2000 kW by FY 2026-27 as purposed earlier

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

At NATCO Pharma, we strive to achieve a balanced approach that aligns human needs with environmental sustainability and long-term economic growth. The Company has established a strong and equitable governance framework that promotes and enforces ethical values across the Company, safeguarding the interests of all stakeholders. We have instituted a comprehensive Code of Conduct that clearly defines the expectations, responsibilities, and standards applicable to Board Members, Senior Management Personnel and Employees. Adherence to this Code is mandatory and reflects our unwavering commitment to ethical business practices and any instances of non-compliance whether identified or reported are handled with utmost seriousness and transparency.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	A comprehensive Familiarization Programme is conducted for the Board of Directors and key managerial personnel on a need-basis, providing updates on various business operations, evolving market dynamics, investor highlights, and changes in regulations. On a quarterly basis, the company provides updates on financial results, overall business compliance, improvements, and concerns related to environmental safety and health performance, products, and processes.	100%
Key Managerial Personnel	4		100%
Employees other than BoD and KMPs	400	Training programmes for employees covered a range of topics to enhance technical, quality, safety, behavioral, and leadership competencies. These programmes include Good Manufacturing Practices (GMP), Safety, Audit Readiness, Workplace Behaviors, Effective Communication, Team Building and Collaboration, Hazard Identification and Risk Assessment (HIRA), Environmental Aspect Impact Assessment (EAIA), Data Integrity, Quality Management Systems, and leadership development initiatives such as the NATCO Lead Programme, NATCO NEXT Programme (Managerial Skills), NATCO Navigator Programme (Supervisory Skills), and Train the Trainer.	100%

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Workers	205	Training programmes for workers focus on Good Manufacturing Practices (GMP), quality, safety, hygiene, documentation, and environmental management. These include Personnel Hygiene Practices and Clean Room Procedures, Prevention of Contamination and Cross-Contamination, Awareness on GMP and Data Integrity Practices (GDP), Static Electricity and Its Hazards in the Chemical Industry, Good Documentation Practices, Laboratory Safety, Basic Firefighting, First Aid, and Waste Management.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	NA	NA	NA
Settlement	NA	NA	NA	NA	NA
Compounding fee	NA	NA	NA	NA	NA

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

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

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

-Yes.

NATCO Pharma Limited upholds ethics, integrity, and transparency while ensuring compliance with applicable laws, rules, and regulations. This policy provides clear guidance for identifying and addressing ethical concerns, establishes mechanism for reporting misconduct, and promotes a culture of honesty and accountability. It applies to all employees, contractors, suppliers, and business partners. The policy strictly prohibits bribery, corruption, inappropriate gifts, manipulation, and concealment. Employees are encouraged to promptly report any suspected violations to their supervisor or the Compliance Officer. In addition, a comprehensive whistleblower framework supports this policy, enabling the safe and confidential reporting of unethical practices, suspected fraud, or breaches of the Anti-Corruption and Anti-Bribery policy.

Web-link of policy: Anti-Corruption/Anti-bribery policy

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	_
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	_

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

8. **Number of days of accounts payables (Accounts payable* 365) / Cost of goods/services procured) in the following format:**

	FY 2025-26	FY 2024-25
Number of days of accounts payables	160	120

9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, In the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	11.05%	7.01%
	b. Number of trading houses where purchases are made from	126	80
	c. Purchases from Top 10 trading houses as % of total purchases from trading houses	53.27%	70.41%
Concentration of Sales	a. Sales to dealer/ distributers as % of total sales	14.49%	9.42%
	b. Number of dealers / distributors to whom sales are made	3646	3067
	c. Sales to top 10 dealer/ distributers as % of total sales to dealer/ distributers	17.70%	22.06%
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	0%	0%
	b. Sales (Sales to related parties / Total Sales)	6.41%	3.26%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0.93%	0.42%
	d. Investments (Investments in related parties/Total Investments made)	79.42%	57%

Leadership Indicators

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

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business[SG61.1][AC61.2][AC61.3] done with such partners) under the awareness programmes
1	NATCO's ESG Journey and Overview of BRSR Principles/ Core values/ Sustainable procurement policy.	9.84%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same

Yes,.

The Company has established a comprehensive governance framework through its 'Code of Conduct for Board Members, Senior Management Personnel and Employees' policy, 'Related Party Transactions' Policy and 'Nomination and Remuneration' Policy to identify, prevent and manage conflicts of interest involving the Board of Directors and Key Management Personnel (KMPs).

Under the 'Code of Conduct for Board Members, Senior Management Personnel and Employees' Policy, members of the Board are required to avoid situations that may result in actual or potential conflicts of interest with the Company's interests. In the event of any such conflict, or where a conflict is likely to arise, the concerned individual is required to make a full disclosure of all relevant facts to the Board of Directors or the authority designated by the Board and obtain prior written approval before proceeding.

The 'Related Party Transaction Policy' governs transactions involving related parties, including Directors and KMPs. All related party transactions are subject to review and approval by the Audit Committee and the Board of Directors, as applicable. Directors or KMPs having an interest in a related party transaction are required to abstain from participating in the deliberation and approval process, thereby ensuring transparency, fairness and independent decision-making.

The 'Nomination and Remuneration' Policy establishes objective criteria for the appointment of Directors, KMPs and Senior Management Personnel and provides a structured framework for determining remuneration. The policy requires remuneration recommendations to be made by the independent Nomination and Remuneration Committee and approved by the Board. It also reinforces the independence of Independent Directors by restricting their association with the Company in any other capacity during the prescribed cooling-off period between successive terms.

2 PRINCIPLE

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Detailsof improvements in environmental and social impacts
R&D	10.5% (Rs 4086 million)	9.12%	Our R&D efforts are dedicated to enhancing the environmental and safety aspects of our processes, aiming for a comprehensive positive impact. By leveraging technology and adopting a forward-thinking approach, we are able to develop and introduce complex, niche molecules through non-infringing methods.
Capex	0.21% (Rs. 7,41,99,006)	0.29% (Rs. 12,35,55,540)	These projects pertain to improving environment footprint through renewable energy, energy conservation, water conservation, reducing resource waste, etc.

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

Yes, the entity has established a Sustainable Procurement Policy that defines expectations for suppliers across key areas such as business integrity, labour rights, environmental responsibility, and regulatory compliance. As part of the onboarding process, suppliers are required to complete a preliminary assessment form. This framework functions as an initial screening approach to encourage and support responsible sourcing practices.

Web-link for policy: Sustainable Procurement Policy

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

The percentage of inputs sourced sustainably has not yet been formally quantified. While the Company collects preliminary ESG-related information from suppliers under its Sustainable Procurement Policy, it is currently developing a formal mechanism to verify supplier disclosures and assess the proportion of sustainably sourced inputs.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

We adopt an eco-friendly approach to waste management by implementing well-defined Standard Operating Procedures (SOPs) for the collection, storage, and disposal of waste. The Company works with authorized agencies in compliance with CPCB/SPCB guidelines to ensure proper recycling, reuse, and environmentally safe disposal.

a) Plastics (including packaging): The Company fulfils 100% of its Extended Producer Responsibility (EPR) obligations for post-consumer plastic packaging waste through authorized third-party agencies, in accordance with CPCB/SPCB guidelines. This includes recycling, co-processing, and environmentally sound disposal of waste equivalent to the total quantity of packaging introduced in the market.

b) E-waste: E-waste generated is handed over to authorized recyclers through collection centers or to authorized dismantlers for recycling, in line with the E-Waste Management Rules, 2022.

c) Hazardous waste: Hazardous waste is sent to authorized cement industries, pre-processing facilities, or Treatment, Storage, and Disposal Facilities (TSDF) for safe and compliant disposal.

d) Other waste: Other waste streams are directed to pre-processing facilities or recyclers for further processing and recycling.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable to the organization's operations. The Company is registered as a Brand Owner under the Plastic Waste Management Rules and has submitted an EPR Action Plan in accordance with CPCB guidelines.

The EPR obligations are fulfilled through authorized third-party waste management agencies. During the reporting year, 163 tons of post-consumer plastic packaging waste was managed through recycling, co-processing, and other environmentally sound disposal methods, in line with the approved plan submitted to the respective Pollution Control Boards.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
2423	Everolimus	0.004	Cradle to Gate	Yes	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
EVEROLIMUS	Most significant environmental impacts arise from the manufacturing stage, driven by fuel and electricity consumption as well as the use of organic solvents. The primary impact categories, Global Warming Potential (GWP) and Human Toxicity, are predominantly influenced by electricity usage during production and the upstream processes associated with raw material extraction and processing.	We are transitioning toward greater use of renewable energy, with 68% of its electricity now sourced from clean energy alternatives. This has significantly contributed to the reduction of potential greenhouse gas emissions. The move toward renewable energy reflects the company's proactive approach to sustainable manufacturing and its commitment to minimizing its carbon footprint.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Not Applicable. Due to the sensitive nature of pharmaceutical products and strict regulatory guidelines, the use of recycled or reclaimed input materials in the manufacturing process is prohibited to avoid any risk of contamination.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	85	78	0	75	114
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic Packaging in sold Product	The company fulfils 100% of its Extended Producer Responsibility (EPR) obligation for post-consumer plastic packaging waste through authorized agencies, in accordance with CPCB/SPCB guidelines. This includes recycling, co-processing, and environmentally sound disposal, equivalent to the total quantity of packaging introduced into the market.

3 PRINCIPLE

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance[1]		Accident insurance		Maternity benefits[2]		Paternity Benefits[3]		Day Care facilities[4]	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	3564	3324	93.26%	3564	100%	0	0%	0	0%	0	0%
Female	371	319	85.98%	371	100%	371	100%	0	0%	0	0%
Total	**3935**	**3643**	**92.57%**	**3935**	**100%**	**371**	**9.43%**	**0**	**0%**	**0**	**0%**
Other than Permanent employees											
Male	161	119	73.91%	161	100%	0	0%	0	0%	0	0%
Female	48	35	72.91%	48	100%	48	100%	0	0%	0	0%
Total	**209**	**154**	**73.68%**	**209**	**100%**	**48**	**23%**	**0**	**0%**	**0**	**0%**

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

Category	Total (A)	% of workers covered by									
		Health insurance[1]		Accident insurance		Maternity benefits[2]		Paternity Benefits[3]		Day Care facilities[4]	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	450	445	98.88%	450	100%	0	0%	0	0%	0	0%
Female	48	48	100%	48	100%	48	100%	0	0%	0	0%
Total	**498**	**493**	**98.99%**	**498**	**100%**	**48**	**10%**	**0**	**0%**	**0**	**0%**
Other than Permanent workers											
Male	344	176	51.16%	344	100%	0	0%	0	0%	0	0%
Female	74	25	33.78%	74	100%	0	0%	0	0%	0	0%
Total	**418**	**201**	**48.09%**	**418**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

Note:

1. All employees and workers are eligible for employee contributory health insurance coverage scheme. However, some of the employees have not opted for this benefit, as the individuals are covered in policies taken by their respective spouse/children, etc,.
2. Maternity benefits for eligible employees were given as per the statutory requirements.
3. Employees are provided with Paternity Benefits on a case-to-case and need basis.
4. Day care (Creche) facilities are available at the formulation facilities (Kothur & Nagarjuna Sagar), Vizag and R&D Center but have not been utilized.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.56% & (19.70 Crores)	0.43% (20.85 Crores)

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	1.45 %	4.01%	Yes	5.87%	44.56%	Yes
Others – please specify	-	-	-	-	-	-

Note: 100% of the employees to whom ESI is applicable as per the regulations, are covered.

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, we are committed to fostering an inclusive and supportive work environment by ensuring that our facilities are accessible to employees and workers with disabilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes, we have implemented an Equal Opportunity Policy which ensures non-discrimination in recruitment, employment, and training for persons with disabilities. It also outlines provisions for reasonable facilities, accessible infrastructure, and grievance redressal mechanisms to promote an inclusive workplace culture. The policy is periodically reviewed to ensure alignment with evolving legal and social standards.

Web-link Policy: Equal Opportunity policy

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Not Applicable	Not Applicable	Not Applicable	
Female	100%	100%		
Total	**100%**	**100%**		

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

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes. The company has a formal grievance redressal mechanism in place for all categories of employees and workers, including permanent, contractual, and trainees. Company believes that internal stakeholders should have the opportunity to raise and achieve resolution by following a fair and prompt grievance process, without fear of repression. The Company believes in non-repression measures against employees for raising concerns in good faith or those who assist in an investigation of suspected wrongdoing. The Company resolves all the internal stakeholders' grievances as per the applicable statutory norms. Internal stakeholders can submit their complaints / grievance to the Grievance Officer.

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

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	3564	0	0%	3415	0	0%
Female	371	0	0%	364	0	0%
Total	**3935**	**0**	**0%**	**3779**	**0**	**0%**
Total Permanent Workers						
Male	450	329	73.11%	380	329	86.58%
Female	48	39	81.25%	40	39	97.5%
Total	**498**	**368**	**73.89%**	**420**	**368**	**87.62%**

8. Details of training given to employees and workers:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	3725	3524	94.60%	3500	85.91%	3643	3643	100%	3074	84.38%
Female	419	364	86.87%	447	90.69%	430	430	100%	430	100%
Total	**4144**	**3888**	**93.82%**	**3947**	**86.39%**	**4073**	**4073**	**100%**	**3504**	**86.02%**
Workers										
Male	794	794	100%	709	89.29%	767	767	100%	748	97.5%
Female	122	122	100%	97	79.51%	115	115	100%	96	83.48%
Total	**916**	**916**	**100%**	**806**	**87.99%**	**882**	**882**	**100%**	**842**	**95.46%**

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

Category*	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	3725	2999	81%	3643	2552	70%
Female	419	324	77%	430	281	65%
Total	**4144**	**3323**	**80%**	**4073**	**2893**	**71%**
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Note: *Performance and career development reviews exclude trainees is 100%

* For workers it is via wage agreement

Note: Performance and career development reviews have not been carried out for workers.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, NATCO Pharma has implemented a robust Occupational Health and Safety (OHS) Management System across all its operational sites. This system is governed by a comprehensive Environment, Health, and Safety (EHS) policy and is integrated into the company's core operations. We ensure that adequate resources are allocated to implement EHS programs aligned with regulatory requirements and business objectives. EHS goals are embedded into business planning, governance, and performance evaluation processes to reinforce a culture of safety. Regular safety trainings, mock drills, awareness campaigns, and inspections are conducted across sites. The company continuously monitors safety performance, conducts root cause analysis of incidents, and takes preventive and corrective actions to avoid recurrence. All of our manufacturing facilities, including the NATCO Research Centre (NRC), are certified under ISO 14001:2015 and ISO 45001:2018. Certification for the Crop Health Sciences unit is currently in progress.

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

The entity adopts a comprehensive approach to identifying workplace hazards and assessing risks for both routine and non-routine activities. Key methodologies include HAZOP (Hazard and Operability Study), which systematically examines complex processes to identify potential hazards, and HIRA (Hazard Identification and Risk Assessment), which evaluates the level of risk associated with various tasks.

In addition, detailed Standard Operating Procedures (SOPs) have been established for all critical operations to ensure consistent and safe work practices. A robust Work Permit System is also implemented to control high-risk and non-routine activities such as confined space entry, hot work, and work at heights, ensuring that all necessary safety precautions are in place prior to execution.

These systems are further strengthened through regular audits, inspections, and employe training programs, supporting continuous improvement in workplace safety performance.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)[

Yes, we promote a strong safety-oriented mindset among workers as a key element of our occupational health and safety framework, with a firm commitment to achieving the goal of “Zero Injury.” Employees are regularly engaged through structured training programs, toolbox talks, and safety briefings to enhance awareness, reinforce safe work practices, and ensure clear understanding of safety procedures.

A comprehensive guidance document is in place to support the identification, evaluation, and mitigation of Safety, Health, and Environment (SH&E) risks. It provides clear direction on risk assessment methodologies and defines the roles and responsibilities of both workers and supervisors in managing safety across all site activities. Workers are

encouraged and empowered to report unsafe acts, unsafe conditions, and near-misses, and they have the right to stop work if they believe it poses a serious risk to their safety or health.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, each operational site is equipped with a fully functional Occupational Health Centre, supported by qualified doctor/s, nurses to monitor and promote the overall well-being of the workforce. In addition, the Company provides comprehensive health insurance coverage through its Group Medical Insurance policy and the Employee State Insurance Scheme (ESIC), ensuring access to a wide range of healthcare services beyond occupational requirements.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0.073
Total recordable work-related injuries	Employees	0	2
	Workers	0	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We operate a comprehensive Occupational Health and Safety Management System aligned with ISO 45001 standards. Regular Hazard Identification and Risk Assessment (HIRA) exercises are conducted to identify potential workplace hazards and implement appropriate control measures. A stringent Permit-to-Work (PTW) system is in place to govern all high-risk operational and maintenance activities. Personal Protective Equipment (PPE) is provided and mandated for employees and workers based on the risk profile of their tasks.

At our manufacturing facilities, scrubber systems and other emission control technologies are deployed to minimize exposure to volatile organic compounds (VOCs), dust, and odours. Fire safety is ensured through well-maintained fire detection and alarm systems, adequate fire-fighting equipment, and periodic fire drills to strengthen emergency preparedness. Regular safety inspections, surveillance activities, and internal audits are conducted to ensure compliance and identify opportunities for continual improvement. In addition, exposure assessments and Leak Detection and Repair (LDAR) studies are carried out, as needed.

We provide regular health and safety training to all employees and workers, along with emergency preparedness drills for scenarios such as chemical spills and fire incidents. Periodic medical examinations are conducted by reputed health care facilities, including specialized health checkups as per the need A fully equipped Occupational Health Centre (OHC) is available at all sites, supported by a qualified doctor and nurse to provide immediate on-site medical assistance.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	4	0	NIL	5	0	NIL
Health & Safety	NIL	0	NIL	24	0	NIL

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

At NATCO, we are strongly committed to maintaining a safe and healthy work environment across all our operations. Regular internal audits are conducted to assess safety performance, and appropriate corrective actions are implemented based on audit findings. To enhance fire safety preparedness, auto modular-type fire extinguishing systems have been installed in critical areas to ensure rapid response during emergencies.

We have undertaken detailed assessments of solids charging operations, leading to the adoption of reverse charging systems wherever applicable. In addition, solids charging hoppers have been fitted with double flap valve arrangements to improve operational safety and reduce exposure risks.

To further strengthen process safety, HAZOP (Hazard and Operability) studies are conducted to proactively identify and mitigate potential hazards. Employees receive regular training, first aid, and emergency response, delivered through certified external agencies. Periodic fire drills are also conducted to ensure readiness. Furthermore, Environment, Health, and Safety (EHS) awareness campaigns are carried out across facilities to promote a strong culture of safety.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees (Y/N): Yes, the Company provides financial protection to its employees through its Group Term Insurance Policy, which covers events such as death, permanent disability, or partial disablement. In addition, employees are covered under a Company-sponsored healthcare plan that offers access to a broad range of medical services and hospitalization benefits. These measures reflect NATCO Pharma's continued commitment to safeguarding the health, safety, and financial well-being of its employees.

(B) Workers (Y/N): All workers are provided coverage under the Company's Group Term Insurance Policy, which ensures financial support in the event of death, permanent disability, or partial disablement. As per statutory requirements, they are also enrolled under the Employees' State Insurance Corporation (ESIC) scheme. Further, a section of workers is additionally covered under the Company-sponsored healthcare insurance plan, which extends comprehensive medical and hospitalization benefits.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company is committed to maintaining ethical conduct and integrity-driven practices in its value chain to the extent it relates to its operations. To ensure this, robust mechanisms are in place to verify that value chain partners comply with fair business practices and statutory requirements. These steps reinforce the Company's dedication to responsible and legally compliant operations.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	1

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	1.93%
Working Conditions	1.93%

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Not Applicable

4 PRINCIPLE

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

The entity identifies its key stakeholder groups through a structured stakeholder mapping process based on the level of relevance to its operations and value chain. This identification is also guided by a materiality assessment, which helps prioritize the Environmental, Social, and Governance (ESG) topics most significant to both the business and its stakeholders.

We engage with stakeholders using a variety of channels such as meetings, workshops, surveys, intranet portals, and social media to facilitate effective two-way communication. These channels help us stay informed of stakeholder expectations, gather feedback, and incorporate their inputs into our decision-making processes.

We have also established formal feedback mechanisms to capture concerns and suggestions from stakeholders. Our focus remains on ensuring transparency and building trust-based relationships. Further, we regularly monitor and evaluate the effectiveness of our stakeholder engagement activities to identify areas for improvement and drive meaningful impact.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Sr. no.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1.	Investors and shareholders	No	• Annual General Meeting • Annual report • Investor presentations • Quarterly investor calls • Investor / analyst meet • Company website • Email • Announcements	Need basis	Financial performance and Business sustainability
2.	Regulators/ Government	No	• Mandatory submissions • Meetings and interactions • Audits	Need Basis	Permits and mandatory submissions
3.	Suppliers/Vendors	No	• Regular interaction through phone, e-mail, letters and in person • Supplier audits • Exhibitions and conferences	Need Basis	Contracts and audits
4.	Employees and workers	No	• Leadership message and company activities via Intranet portal • Learning and Development programs • Functional and cross functional committees • Personal interaction • Performance management system • Important events such as world environment day, safety week, National Women's Day, etc. • Cultural and other events • Safety meetings	Need Basis	Policies, benefits and training
5.	Patients	No	Community meetings	Need basis	Educating the patients

Sr. no.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
6.	Farmers	No	• Field meetings • Media advertisements • Product demonstrations • Social media	Need Basis	Educating the farmers about the products and marketing activities
7.	Local Communities	No	Community Meetings	Need Basis	Understanding the wellbeing of the people and working to improve their lives and livelihoods
8.	Doctors	No	• Doctor visits/product • information/ scientific updates • Academic meetings • Patient education through clinicians • Public awareness through clinicians • Website	Need Basis	Educating them about newer therapies
9.	Dealers and Distributors	No	• Email • Meetings • Letters • Telephone	Need Basis	Updating about products
10.	Trade unions	No	Meetings and interactions	Need Basis	Updating new polices, regulations, benefits or addressing grievances.
11.	Media	No	Press releases	Need Basis	Dissemination of information

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Yes, Consultation with stakeholders is primarily conducted through delegated functional teams across various departments. These teams are responsible for engaging directly with specific stakeholder groups such as investors, regulators, suppliers, employees, patients, farmers, doctors, trade unions, and local communities through mechanisms tailored to each group (e.g., meetings, surveys, email interactions, audits, and community initiatives). Each functional team monitors and captures feedback, concerns, and expectations from stakeholders that relate to NATCO's economic performance, environmental impacts, and social responsibility. Feedback gathered during stakeholder engagements is analyzed and acted upon when issues with strategic, reputational, regulatory, or sustainability implications are identified; they are appraised to senior management. This structured process ensures that stakeholder perspectives are effectively integrated into the company's strategic and operational responses.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company has undertaken a materiality assessment to identify the Environmental, Social, and Governance (ESG) issues relevant to its operations. As part of this process, stakeholder consultation played a key role in shaping the assessment. Input was gathered through discussions with relevant stakeholders, alongside consideration of sustainability reporting frameworks, policies of the Board, and peer industry practices. The feedback obtained from stakeholders helped the Company prioritize ESG topics that are significant to both the business and its stakeholders. These insights have been integrated into the Company's sustainability strategy, informing its goals, targets, and actions related to environmental and social performance. This approach ensures that stakeholder concerns are reflected in the Company's policies and ongoing sustainability initiatives.

3. Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/ marginalized stakeholder groups.

Through NATCO Trust, we are committed to enhancing the quality of life in rural and underserved communities by improving access to education and healthcare. Our approach is driven by structured, sustainable interventions that address critical gaps and create long-term impact. In education, we support in education for government school children, promote early childhood education (ECE), strengthen Govt. school infra structure and provide educational assistance to underprivileged students. In healthcare, we enable access to specialized services through mobile health clinics, facilitate linkages with government healthcare institutions, and extend medical support to economically disadvantaged patients. We also strengthen public health systems by supporting government hospitals, advancing eye care initiatives, and promoting menstrual health awareness. By partnering with institutions in the fields of education and health and encouraging holistic development, NATCO Trust strives to build inclusive, resilient, and empowered communities.

5 PRINCIPLE

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	3935	3935	100%	3779	3779	100%
Other than permanent	209	209	100%	294	294	100%
Total Employees	**4144**	**4144**	**100%**	**4073**	**4073**	**100%**
Workers						
Permanent	498	498	100%	420	420	100%
Other than permanent	418	418	100%	462	462	100%
Total Workers	**916**	**916**	**100%**	**882**	**882**	**100%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	3935	0	0.00%	3935	100%	3779	0	0%	3779	100%
Male	3564	0	0.00%	3564	100%	3415	0	0%	3415	100%
Female	371	0	0.00%	371	100%	364	0	0%	364	100%
Other than Permanent	209	0	0.00%	209	100%	294	0	0%	294	100%
Male	161	0	0.00%	161	100%	228	0	0%	228	100%
Female	48	0	0.00%	48	100%	66	0	0%	66	100%
Workers										
Permanent	498	0	0.00%	498	100%	420	0	0%	420	100%
Male	450	0	0.00%	450	100%	380	0	0%	380	100%
Female	48	0	0.00%	48	100%	40	0	0%	40	100%
Other than Permanent	418	0	0.00%	418	100%	462	0	0%	462	100%
Male	344	0	0.00%	344	100%	387	0	0%	387	100%
Female	74	0	0.00%	74	100%	75	0	0%	75	100%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	8	47803050*	1	-
Key Managerial Personnel	2	4752538	-	-
Employees other than BoD and KMP	3723	760008**	419	472416
Workers	450	711468	74	668028

*Sri A.D.M. Chavali, Sri D. Vijaya Bhaskar, Sri B. Lakshminarayana, Sri Nitin Jain and Dr. Suma Kantipudi, Independent Directors were paid only sitting fees for attending the Board/Committee Meetings.

**Casuals (418) are excluded from employees other than BoD and KMP

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	6.54%	7.01%

* Note that the data reported previously has been reconsidered

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, the Company has a dedicated Grievance Redressal officer responsible for addressing complaints related to human rights within the organization. By upholding human rights principles and fostering a culture of accountability, transparency, and respect for human dignity, the Company aims to enhance the well-being and empowerment of individuals and communities.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Our company has established a Human Rights grievance resolution system for its employees. The company ensures that effective remediation procedures are available for individuals impacted by its operations, with a designated Grievance Redressal Officer responsible for addressing complaints.

Anyone who believes they have faced discrimination related to human rights principles is encouraged to report the matter to the Grievance Redressal Officer, HR Manager, or Management through email.

To effectively manage reports of human rights violations, NATCO Pharma has implemented a comprehensive grievance redressal system to address the concerns of all stakeholders. This mechanism is structured to track, evaluate, and respond to such issues in a timely manner, ensuring appropriate resolution for affected individuals. Anyone seeking to raise a human rights-related grievance can reach to the designated stakeholder grievance redressal officer in accordance with NATCO Pharma's stakeholder grievance redressal policy available on our website. With reference to the grievances of the shareholders, the Company has appointed M/s. Venture Capital & Corporate Investments Pvt. Ltd. as its Registrar and Share Transfer Agent ("RTA") to ensure faster and efficient provision of services to the shareholders. The RTA is primarily responsible for handling shareholders related affairs of the Company which are specified in this policy.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	-	-	0	-	-
Discrimination at workplace	0	-	-	0	-	-
Child Labour	0	-	-	0	-	-
Forced Labour / Involuntary Labour	0	-	-	0	-	-
Wages	0	-	-	0	-	-
Other Human Rights	0	-	-	0	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

NATCO Pharma maintains a strong grievance redressal framework that prohibits retaliation, ensures confidentiality, and supports the fair resolution of complaints. Through its Human Rights Policy, Whistleblower Policy, and Grievance Redressal Policy, individuals are protected from any form of retaliation when reporting incidents of discrimination or harassment.

Complaints may be submitted through multiple secure channels, and a dedicated Grievance officer oversees the review and resolution of cases to ensure adherence to ethical standards, as well as legal and regulatory requirements.

9. Do human rights requirements form part of your business agreements and contracts?

Yes, human rights requirements, including provisions related to child labour, forced labour, and minimum wages, have been incorporated into the Company's business contracts and agreements, ensuring adherence to applicable legal and ethical standards.

10. Assessment of the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant risks or concerns were identified during the assessment; therefore, no corrective actions were required. The Company remains committed to implementing its Human Rights Policy and raising awareness among employees to uphold ethical workplace standards and compliance.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No Complaints were received in the reporting year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

NATCO Pharma has a Human Rights Policy and complies with applicable labour laws and regulations. The Company is committed to maintaining a respectful workplace, ensuring fair employment practices, and safeguarding the health and safety of all employees.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company's premises and offices are equipped with ramps to support smooth mobility for persons with disabilities. NATCO complies with applicable local laws and site building requirements.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	1.93%
Discrimination at workplace	1.93%
Child Labour	1.93%
Forced Labour/Involuntary Labour	1.93%
Wages	1.93%
Others – please specify	NA

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

6 PRINCIPLE

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	79292.64	72210.72
Total fuel consumption (B)	32775.91	8061.61
Energy Consumption through other sources (C)	-	
Total energy consumed from renewable sources (A+B+C)	**112068.55**	**80272.33**
From non-renewable sources		
Total electricity consumption (D)	222060.64	216051.26
Total fuel consumption (E)	272755.43	321934.46
Energy Consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**494816.08**	**537985.72**
Total energy consumed (A+B+C+D+E+F)	**606884.62**	**618258.05**
Energy intensity per rupee of turnover**	14.88	15.099
(Total energy consumed / Revenue from operations), GJ/ ₹ Mn		
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)**	302.68	311.96
(Total energy consumed / Revenue from operations adjusted for PPP)*, GJ/ Revenue from operations (in ₹ Mn) adjusted to PPP		
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by IMF for India which is 20.08.

https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

Yes, a Limited assurance was carried out by DNV Business Assurance India Private Limited.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	71132.50	53910.73
(ii) Groundwater	48805.18	44544.59
(iii) Third party water	218811.11	230172.89
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**338748.79**	**328628.21**
Total volume of water consumption (in kiloliters)	**314944.86**	**299375.89**
Water intensity per rupee of turnover** (Total water consumption / Revenue from operations), KL / ₹ Mn	7.722	7.311
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption / Revenue from operations adjusted for PPP)* KL / Revenue from operations (in ₹ Mn) adjusted to PPP	157.074	151.045
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by IMF for India which is 20.08.

https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes, a Limited assurance was carried out by DNV Business Assurance India Private Limited.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	1818.13 KL - after secondary treatment	3579 KL*
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	1305 KL- after Primary Treatment 21986.40 KL – after Secondary Treatment	18303.00 kl - after Primary Treatment, 925 kl – after Secondary Treatment
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**23804.53**	**21882**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes, a Limited assurance was carried out by DNV Business Assurance India Private Limited.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have implemented Zero Liquid Discharge (ZLD) systems at four of our manufacturing plants to ensure effective wastewater management and environmental compliance. The ZLD approach is aimed for effective onsite treatment and reuse resulting into reduction of fresh water footprint and achieving zero discharge from the premises.

The plants with ZLD systems are located at Mekaguda (Telangana), Kothur (Telangana), Chennai (Tamil Nadu), and Athivaram Technical (Andhra Pradesh), with treated water of 58,810 KL, 42,285.06 KL, 11,093.04 KL, and 1,244 KL respectively. The treated water is fully reused for cooling towers, sanitation (toilets), and gardening, contributing to our water conservation and sustainability goals.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format.

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	tonnes	38.28	44.21
SOx	tonnes	38.50	45.55
Particulate matter (PM)	tonnes	30.52	26.52
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	ppm	0.1	0.2
Hazardous air pollutants (HAP)	-	-	-
Carbon Monoxide	tonnes	0.23	0.3
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26		FY 2024-25	
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PCFs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	24593.76		28494.95	
		tCO_2:	20146.43	**tCO_2:**	23395.11
		$CH_4 - tCO_2e$:	323.62	**CH4 – tCO_2e:**	130.78
		$N_2O - tCO_2e$:	85.30	**$N_2O - tCO_2e$:**	65.48
		HFCs – tCO_2e:	4013.95	**HFCs – tCO_2e:**	4903.61
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PCFs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	43795.29		43630.35	
		tCO_2:	43795.29	**tCO_2:**	43630.35
		$CH_4 - tCO_2e$:	0	**$CH_4 - tCO_2e$:**	0
		$N_2O - tCO_2e$:	0	**$N_2O - tCO_2e$:**	0
		HFCs – tCO_2e:	0	**HFCs – tCO_2e:**	0
Total Scope 1 and Scope 2 emission intensity per rupee of turnover** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO_2 Equivalent/ Million	1.677		1.762	

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations (in ₹ Mn) adjusted for PPP)*	Metric tonnes of CO_2 Equivalent/ Million	34.108	36.403
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by IMF for India which is 20.34.

https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes, a Limited assurance was carried out by DNV Business Assurance India Private Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

NATCO Pharma is committed to minimizing its carbon footprint and actively pursuing sustainable operational practices. As part of this commitment, the company is implementing a comprehensive approach to reducing greenhouse gas (GHG) emissions across its facilities. The strategy includes the adoption of energy-efficient technologies such as advanced lighting systems, optimized machinery, and process automation to reduce overall energy consumption. Additionally, NATCO Pharma is transitioning toward renewable energy sources, integrating solar and wind power into its operations to offset reliance on conventional energy.

During the FY 2025-26, our company successfully integrated 26.31% renewable electricity into its total electricity consumption, which contributed significantly to lowering our environmental impact, leading to the avoidance of 15638.27 tons of CO_2 emissions.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	78.264	16.352
E-waste (B)	4.030	5.629
Bio-medical waste (C)	27.726	19.591
Construction and demolition waste (D)	0	0
Battery waste (E)	18.447	10.369
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	5913.294	4635.149
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1938.363	351.698
Total (A+B + C + D + E + F + G + H)	**7980.125**	**5038.794**
Waste intensity per rupee of turnover** (Total waste generated / Revenue from operations), MT/ ₹ Mn	0.196	0.12
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)**) (Total waste generated / Revenue from operations adjusted for PPP)*MT / Revenue from operations (in ₹ Mn) adjusted to PPP	3.980	2.541

Parameter	FY 2025-26	FY 2024-25
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	4796.095	3072.461
(ii) Re-used	728.576	0
(iii) Other recovery operations (Waste to energy Recovery)	1950.441	1621.266
Total	**7475.112**	**4693.727**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	61.884	126.996
(ii) Landfilling	364.074	158.02
(iii) Other disposal operations (TSDF)	0	279.097
Total	**425.958**	**564.1**

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2026 by IMF for India which is 20.34.

https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes, a Limited assurance was carried out by DNV Business Assurance India Private Limited.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes, and the practices adopted to manage such wastes.[.

NATCO Pharma implements a comprehensive waste management plan focused on minimization, segregation, and safe disposal. The company adopts a green chemistry approach to optimize the use of hazardous chemicals and ensures responsible waste handling.

1. Hazardous Waste: Managed through co-processing in authorized cement industries, treatment at certified pre-processing facilities, and disposal in TSDFs. Used oil, e-waste, and batteries are sent to licensed recyclers or managed through structured buy-back programs.

2. Non-Hazardous Waste: Combustible waste undergoes pre-processing before co-processing in cement kilns, paper waste is sent to ITC for recycling, and metal scrap is handled by authorized recyclers. Plastic waste is managed under Extended Producer Responsibility (EPR) initiatives.

3. Biodegradable Waste: Processed through organic waste converters to produce compost for facility landscaping.

4. Effluent & Sewage Treatment: ZLD, ETP and STP systems to treat the waste water to meet environmental compliance standards.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons there of and corrective action taken, if any.
Not applicable. None of the operations/ offices are in/around ecologically sensitive area			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable. None of our projects have undergone an environmental impact assessment.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility/plant located in areas of water stress, below are the following information:

I. Name of the area: Thiruvottiyur (Chennai); Ameerpet (Hyderabad); Banjara Hills, Hyderabad

II. Nature of operations: NATCO Pharma Limited – Chemical Division; NATCO Research Centre, Hyderabad; NATCO House (Head Office)

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	2793.73	2783.25
(iii) Third party water	19092	19923
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters)	**21885.73**	**22706.25**
Total volume of water consumption (in kiloliters)	**19887.60**	**22526.25**
Water intensity per rupee of turnover* (Water consumed / revenue from operations in ₹ Mn)	0.49	0.55
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	1818.13 KL - after secondary treatment	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0

Parameter	FY 2025-26	FY 2024-25
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	-
- With treatment – please specify level of treatment	180 KL- after primary treatment	180 KL- after primary treatment
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kiloliters)	**1998.13**	**180**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Not Applicable

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	Chennai (Energy Conservation)	scrubber blower (3,000 CFM, 15 kW, belt-driven) replaced with a 5 kW direct-driven blower.	Achieved energy savings of 10.9MW, resulting in a reduction of 7.7 tCO_2e emissions[.
2		Replaced the filter cleaning scrubber blower (5 kW, belt-driven) with a 3 kW direct-driven blower.	Achieved energy savings of 2.3 MWh, resulting in a reduction of 1.67 tCO_2e emissions.
3		Replaced the ETP Secondary RO plant high-pressure pump (25 HP, IE2 motor, 20 CMH capacity, old design) with a 10 HP IE3 motor and 10 CMH capacity pump.	Achieved energy savings of 9.19 MWh, resulting in a reduction of 6.52 tCO_2e emissions.
4		Replaced the ETP paddle drier motor (20 HP, 2,940 RPM) with a 15 HP (1,000 RPM) motor to operate the paddle drier at a reduced speed aligned with the feed rate.	Achieved energy savings of 2.59 MWh, resulting in a reduction of 1.84 tCO_2e emissions.

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
5		Installed a Variable Frequency Drive (VFD) for the ETP Primary RO plant (7.5 HP, 10 m^3/hr) to optimize motor speed based on the required RO feed flow.	Achieved energy savings of 6.06 MWh, resulting in a reduction of 4.30 tCO_2e emissions.
6		Optimized the product distillation and purification processes, reducing rotary evaporator operation by five hours.	Achieved energy savings of 2.913 MWh, resulting in a reduction of 2.06 tCO_2e emissions.
7	Dehradun (Energy Conservation)	Optimized the performance of the 112 TR Trane chiller by using Frigitech oil additives, leading to a reduction in power consumption.	Achieved an overall 9% reduction in power consumption of the 112 TR Trane chiller.
8		Installed solar streetlights to promote renewable energy use and reduce dependence on grid electricity.	Generated monthly electricity savings of 480 kWh and eliminated the consumption of UPCL grid power for street lighting.
10	Nagarjuna Sagar (Energy Conservation)	Installation of motion sensor lights in change rooms and washrooms.	Achieved electricity savings of 18,258 kWh and reduced GHG emissions by 13.18 tCO_2e.
11	Vizag (Process Optimization)	Installed an energy-efficient Belimo valve on the chiller return line in the QC block.	Reduced energy consumption by approximately 18%.
12		Installed a rainwater harvesting system connected to the production block and ETP buildings.	Harvested 131.2 m^3 of rainwater during the reporting period.
13		Reduced fresh water withdrawal through the reuse of AHU condensate and steam condensate.	Reduced fresh water consumption by 3,362 KL.
14	Nagarjuna Sagar (Water Conservation)	Installation of flow-reducing filters and jet guns at washing points in canteen	Reduced fresh water usage by 11.5 KL per day
16		Reused sanitization condensate water for boiler feeding and softener feeding instead of sending to ETP.	Reused approximately 1,589.7 KL of water and reduced furnace oil consumption by 31.6 litres
17		Reused AHU condensate water for cleaning solar panels and irrigating the lemon garden.	Collected and reused 533.27 KL of high-quality condensate water for solar panel cleaning.
18	Vizag (Health and Safety)	Installed a fire sprinkler system for PESO-approved HSD diesel storage tanks to strengthen fire prevention and emergency response.	Enhanced fire safety, improved emergency preparedness, strengthened regulatory compliance, and safeguarded employees and assets.
19	Vizag (Environmental Conservation)	Revisited the preventive maintenance protocol for diesel generators. .	Resulting in annual diesel savings of 1,248 litres.
20	Dehradun (Raw material and Water conservation)	Implemented a higher-volume batch process for Dastanib tablets.	Conserve 6 KL of water and 656.62 g of raw material per batch,

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

At NATCO Pharma, the Business Continuity and Disaster Management Plan forms an integral component of the overall Risk Management Framework, designed to ensure operational resilience across all business units and functions during unforeseen disruptions. Aligned with the Company's Risk Management Policy—which identifies environmental risks as a key focus area—the plan outlines comprehensive strategies to mitigate and manage risks that may impact business continuity. It details emergency preparedness measures, including control protocols and response procedures, while addressing critical aspects such as environmental risk assessments, evacuation plans, shutdown procedures, and emergency coordination structures.

To facilitate timely and coordinated response, clear roles and responsibilities are defined, supported by designated assembly points, access to medical facilities, availability of safety documentation (MSDS), and established communication channels with external and mutual aid partners. In addition, all personnel, including contract workers, undergo regular training to strengthen preparedness for emergency situations.

This structured and multi-layered approach reflects NATCO Pharma's commitment to operational continuity, environmental responsibility, and organizational resilience, in alignment with its broader risk governance framework.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

During the reporting periods, the Company did not encounter any significant adverse environmental impact incidents attributable to its value chain operations. Through proactive engagement and collaboration with suppliers, we continue to uphold its commitment to sustainable and responsible sourcing practices across the supply chain. Our Sustainable Procurement Policy focuses on minimizing environmental impact across its value chain. This policy acknowledges areas where sustainability improvements are necessary.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

In FY 2025-26, we assessed 1.93% of our value chain partners that were assessed for environmental aspects.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

NATCO Pharma Limited is committed to advancing the collective interests of the pharmaceutical industry and the broader community through active participation in trade and industry chambers/associations. As of the reporting period, NATCO Pharma is a member of ten such trade and industry associations.

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
2	Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
3	Bulk Drug Manufacturers Association of India (BDMA)	National
4	Indian Pharmaceutical Alliance (IPA)	National
5	Indian Drug Manufacturing Association (IDMA)	National
6	Confederation of Indian Industry (CII)	National
7	Pharmaceuticals (PHARMEXCIL) Export Promotion Council of India	National
8	Agro Chem Federation of India (ACFI)	National
9	Hyderabad Management Association (HMA)	State
10	Crop Care Foundation of India	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (Annually/ half yearly/ quarterly / others – please specify)	Web-link, if available
Not Applicable					

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. **Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
- Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

NATCO Pharma Limited has a formal Stakeholder Grievance Redressal Policy in place to ensure fair, transparent, and timely resolution of concerns raised by stakeholders, including communities.

Policy web-link: Stakeholder Grievance Redressal Policy

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	25.05%	16.46%
Directly from within India	83.38%	71.14%

Note: This data pertains to procurement in India

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26	FY 2024-25
Rural	5.34%	0.96%
Semi-Urban	59.8%	60.09%
Urban	0.00%	0.00%
Metropolitan	35.58%	38.95%

(Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Note: The previous year's data has been reclassified based on the updated area classification using a revised population data source.

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the social impact assessments (Reference: Question 1 of essential indicators above):**

   Not Applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

State	Aspirational district	Amount spent (In ₹)
NA		

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups?**

   No, We follow a non-discriminatory supplier selection framework, ensuring equitable access for all potential suppliers. We actively promote procurement from local suppliers, including small-scale industries and MSMEs in proximity to our facilities. While our current supplier qualification criteria do not explicitly encompass marginalized or vulnerable groups, we continue to uphold principles of fairness, inclusivity, and responsible business conduct.

   (b) From which marginalized/vulnerable groups do you procure?

   At present, Natco Pharma Limited has not explicitly incorporated marginalized or vulnerable groups within its supplier qualification criteria. However, the Company remains committed to upholding inclusive and equitable business practices.

   The procurement process is guided by a non-discriminatory framework and is based on objective parameters such as quality, delivery timelines, cost competitiveness, and supplier capabilities. In this context, the Company actively seeks opportunities to engage with local suppliers, including MSMEs and small-scale industries in proximity to its operations.

   Going forward, the Company's Corporate Social Responsibility (CSR) initiatives—focused on education, healthcare, women's empowerment, and child welfare—are designed to support underprivileged and marginalized communities.

   (c) What percentage of total procurement (by value) does it constitute?

   -

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable.				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
There were no adverse orders during the reporting period in relation to intellectual property disputes involving the usage of traditional knowledge. Accordingly, no corrective actions were required. NATCO Pharma Limited respects and adheres to applicable intellectual property laws and is committed to the ethical use of traditional knowledge in its operations.		

6. Details of beneficiaries of CSR projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	NGHS - Borabanda School Support	1201	28%
2	Post School Tuition Program	2166	57%
3	Anganwadi Early Childhood education program	1903	56%
4	Support for maintenance of Govt. schools	865	49%
5	NATCO School of Learning, Gollamudipadu	546	29%
6	Hippocampus, Rangapur	1257	28%
7	CSF - FLN Mission	853745	42%
8	EKHO Foundation - ECE Intervention	29360	-
9	Janyaa Foundation - Lab in a Box Program	1930	-
10	LVPEI - Sagar	136	-
11	Health Counsellors (footfall)	267713	-
12	Support for maintenance of Govt. General Hospital, NATCO Cancer Block, Guntur, Andhra Pradesh	7076	-
13	NATCO Mobile Health Clinic	13487	-
14	NATCO Arogya Kendra	4380	-
15	Health Camps - Cancer Screening camp	452	-
16	Health Camps - Dental	177	-
17	Health Camps - Dermatology	101	-
18	Health Camps - ENT	95	-
19	Narsing Swain Memorial Trust	72	-
20	TB Patients - Nutrition kits distribution	2566	-
21	Good Universe	449	-
22	LVPEI Kothur (OP)	16034	-
23	LVPEI Ponnur (OP)	8367	-

9 PRINCIPLE

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

NATCO Pharma has established structured mechanisms to receive, review, and address consumer complaints and feedback in a timely and transparent manner. Consumers can submit complaints through a dedicated section on the company's website, via direct telephone contact, through doctors /distributors, or through the field team. All complaints are formally documented and escalated to the concerned department for review. Relevant functions, including quality, regulatory, and medical teams, are involved as required to ensure thorough evaluation and resolution. Responses to consumers are communicated through official channels by designated personnel, ensuring accountability, proper documentation, and compliance with internal policies and regulatory expectations.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

	As a % to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

Note: NATCO Pharma Limited maintains compliance with applicable national and international regulatory requirements relating to product labeling. All pharmaceutical products marketed by the Company include comprehensive information on safe and appropriate usage, including dosage instructions, precautions, and contraindications, in accordance with the requirements of relevant drug regulatory authorities. This approach supports patient safety and promotes responsible use of its products.

3. Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	Receive during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive trade practices	0	0	-	0	0	-
Unfair trade practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

Note: During the reporting period, NATCO Pharma Limited did not receive any consumer complaints related to product quality, labelling, advertising, or delivery. We remain committed to maintaining high standards of consumer safety, transparency, and satisfaction.

4. **Details of instances of product recalls on account of safety issues.**

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.**

Yes, NATCO Pharma Limited has established a comprehensive Data Privacy and Cybersecurity Policy that defines its approach to safeguarding sensitive information and mitigating cyber risks. The framework encompasses governance, access control, risk mitigation, and compliance with applicable legal and regulatory requirements. Oversight is exercised by senior leadership and the IT Security function, ensuring effective implementation and periodic review of the policy.

Confidential information—including employee records, business data, and contractual documents—is protected through stringent access controls, with permissions granted strictly on a need-to-know basis to authorized personnel. The Company has implemented Data Loss Prevention (DLP) tools and robust cybersecurity protocols to prevent unauthorized access, data leakage, or breaches, whether internal or external. All users of the Company's IT systems are required to adhere to defined guidelines to prevent unauthorized data sharing or misuse.

Established incident response mechanisms enable the timely detection, investigation, and resolution of potential cybersecurity threats or data breaches. Employees are regularly sensitized through training programs on cybersecurity awareness and their responsibilities under the policy framework.

The policy is reviewed on periodic basis to ensure continued alignment with evolving regulatory requirements and emerging cybersecurity risks, thereby reinforcing the Company's commitment to data protection and information security.

Policy web-link – Data Privacy and Cyber Security Policy

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.**

During the reporting period, NATCO Pharma Limited has not encountered any regulatory penalties or adverse actions related to advertising, delivery of essential services, cybersecurity, or data privacy of customers. There have been no instances of product recalls or re-occurrences that require corrective actions.

We maintain a proactive approach to ensure compliance with all applicable laws and regulations. Our internal monitoring systems, quality assurance processes, and cybersecurity protocols are regularly reviewed and enhanced to prevent potential issues. In the event of any identified concerns, corrective and preventive actions are promptly implemented to safeguard product safety, service quality, and customer data privacy.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches -** nil

   b. **Percentage of data breaches involving personally identifiable information of customers –** nil

   c. **Impact, if any, of the data breaches –** nil

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed.**

NATCO Pharma Limited has instituted appropriate mechanisms to ensure transparent and accessible communication with customers and other stakeholders regarding its products and services. Information is disseminated through the company's official website, field force interactions, and designated contact points including online query forms and corporate telephone numbers. The company has defined policies and procedures to address risks related to products and services, and

stakeholder communications received through these channels are directed to the concerned business units for timely action and grievance redressal.

https://www.natcopharma.co.in/our-business/

https://www.natcopharma.co.in/investor-relations/policies

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

NATCO Pharma complies with all applicable local regulatory requirements related to product labeling and disclosure. In addition, where relevant, the company provides product information beyond statutory mandates to promote safe, effective, and informed use of its medicines.

This includes, but is not limited to:

- Storage and handling instructions
- Dosage-related precautions and contraindications
- Patient safety advisories and risk warnings

Such additional information is particularly emphasized for critical and specialty therapies, including oncology products, to support patient safety, proper administration, and responsible use. This practice demonstrates NATCO Pharma's commitment to patient-centricity, ethical marketing, and responsible product stewardship.

The weblinks for patient information leaflets (PILs) for some of the products are given below:

https://files.natcopharma.co.in/wp-content/uploads/2024/04/Zoldonat-Literature-NG_Natco-V3.pdf

http://files.natcopharma.co.in/wp-content/uploads/2024/04/Xpreza-Liter-KO_Natco.pdf

https://files.natcopharma.co.in/wp-content/uploads/2024/04/Tipanat-Literature-Natco.pdf

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company has established robust mechanisms to proactively inform consumers and stakeholders of any potential risk of disruption or discontinuation of essential products and services. These mechanisms include timely communication through the field force, Doctors, distributors, hospitals and prompt resolution of queries received via the Company's website and customer engagement channels. Regular updates on product availability, supply status, and any discontinuation are shared to ensure transparency and enable informed decision making by consumers and healthcare stakeholders.

4. Does the entity display product information on the product over and above what is mandated as per local laws? Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)

Yes, NATCO Pharma adheres to all applicable local regulatory requirements related to product labeling and disclosures generally include:

- Clear storage and handling instructions
- Dosage related precautions
- Patient safety advisories
- Specific risk warnings, particularly for high risk and specialty products

Such enhanced information is especially critical for complex and life saving therapies, including oncology products, where accurate administration, handling, and patient awareness are essential for safety and treatment effectiveness. This practice underscores NATCO Pharma's commitment to patient safety, ethical healthcare delivery, and responsible product commercialization.

Standalone Financial Statements

Independent Auditor's Report

To the Members of **NATCO Pharma Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of NATCO Pharma Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

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 ("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 state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 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 we have obtained 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 judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

See Note 3(d) and Note 23 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue is recognised when the control of the products being sold has transferred to the customer. The Company has a large number of customers operating in various geographies and sale contracts with customers having varied terms relating to the recognition of revenue. Control is usually transferred upon shipment/ delivery to/ upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. We identified the recognition of revenue from sale of products throughout the year and at year end as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance indicator. There could be a risk that revenue is recognised before the control has been transferred to the customer.	In view of the significance of the matter, the following audit procedures were performed, among others, to obtain sufficient and appropriate audit evidence: • Assessed the appropriateness of revenue recognition accounting policies against Ind AS 115, Revenue from Contracts with Customers; • Tested the design, implementation and operating effectiveness of key controls over measurement, timing and recognition of revenue in accordance with customer contracts; • Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year and around the year end, and verifying underlying documents such as sales invoices, contracts and shipping documents, as applicable;

The key audit matter	How the matter was addressed in our audit
The Company also enters into product supply arrangements where, in certain cases, revenue is recognised on a profit-sharing basis and involves estimation of variable consideration. The timing and measurement of such revenue depend on customer confirmations and interpretation of contractual terms, requiring judgment and therefore this was considered a key audit matter. The Company enters into development and commercialisation arrangements for research and development of pharmaceutical products, often involving collaboration with other companies, resulting in revenue from services. Given the complexity in determining the timing and measurement of revenue, including assessment of performance obligations, recognition of revenue from such arrangements requires significant judgment and was therefore considered a key audit matter.	• Verified the terms of agreements, invoices, confirmations and payments received in respect of revenues recognised during the year for product supply arrangements; • Analysed the terms of development and commercialisation arrangements to assess whether revenue was recognised for rights transferred in line with performance obligations under the contracts; • Evaluated the methodology and assumptions used in estimating variable consideration, including rebates, shelf stock adjustments, returns and discounts, by verifying underlying data, performing sample recalculations, reviewing subsequent settlements and assessing consistency with historical trends; and • Tested high risk manual journal entries posted to revenue to identify any unusual items.

Deferred tax asset on Minimum Alternate Tax ('MAT') credit entitlement

See Note 30 (D) and (E) to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has paid minimum alternate tax (MAT) under Section 115JB of the Income-tax Act, 1961 which can be carried forward and set off against future regular tax within the prescribed period. Recognition of MAT credit as a deferred tax asset depends on the Company's ability to utilise it, which requires judgment regarding the outcome of past tax litigations and availability of future taxable profits. Due to this uncertainty and the significant judgment involved, this has been considered a key audit matter.	In view of the significance of the matter, the following audit procedures were performed, among others, to obtain sufficient and appropriate audit evidence: • Tested the design, implementation and operating effectiveness of the Company's key controls over recognition of deferred tax asset relating to MAT credit; • Involved tax specialists to assess the impact of ongoing past litigations on the availability of MAT credit for utilization; • Analysed origination of MAT credit entitlement and assessed the reasonableness of Company's assessment in relation to its utilisation within the period allowed for carry forward and set off against foreseeable forecast taxable income streams; and • Evaluated appropriateness of taxation disclosures in the financial statements, including the disclosures made in respect of the utilisation period of deferred tax assets in relation to MAT credit entitlement and uncertain tax positions

Impairment of Property, plant and equipment of Agro Chemicals segment (identified as cash generating unit ('CGU')t

See Note 5 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has incurred continuous losses in its Agro Chemicals segment, indicating a potential risk of impairment of property, plant and equipment. Assessing impairment requires significant judgment in determining the recoverable amount in line with applicable accounting standards. Given the high growth expected by the Company, Discounted Cash Flow approach was considered less appropriate, as it would require highly uncertain assumptions. Further, in this case, the recoverable value is not expected to arise from continued use of the assets but is primarily linked to the proposed demerger of the segment, and accordingly has been assessed using a market comparable approach. This involves significant assumptions, including selection of comparable companies and determination of appropriate multiples. Given the dependence on future events and the inherent uncertainty in the assumptions used, impairment assessment of these assets has been considered a key audit matter	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Tested the design, implementation and operating effectiveness of the Company's key controls over impairment analysis of CGU; • Tested budgeting procedures upon which the cash flow forecasts were based. We also compared the actual past performances with the budgeted figures; • Involved valuation specialists to assist us in evaluating the key assumptions and methodology used by the Company, in particular those relating to the EBIDTA multiples of comparable companies used by the company. The valuation specialists also compared the assumptions to externally derived data in relation to key inputs of comparable companies; • Assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions; and • Assessed the adequacy of the disclosures in accordance with the applicable accounting standards.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give

a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, 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 purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2026 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. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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:

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 38 to 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 their knowledge and belief, other than as disclosed in the Note 43(ii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the 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 their knowledge and belief, as disclosed in the Note 43(iii) to the standalone financial statements, 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, 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as

provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that:

- the feature of audit trail facility was not enabled at the database level to log any direct data changes for the accounting software used for financial reporting during the period from 01 April 2025 to 10 July 2025.
- the feature of audit trail facility was not enabled for certain tables at the database level to log any direct data changes for the accounting software used for financial reporting during the period from 11 July 2025 to 31 March 2026.

Accounting software for which audit trail feature is enabled and operated, we did not come across any instance of audit trail feature being tampered with during the course of our audit. Additionally, where audit trail (edit log) facility was enabled and operated in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/ payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/ payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:26218685MITMQY5812

Place: Hyderabad
Date: 29 May 2026

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of NATCO Pharma Limited for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

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

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and other parties and granted loans (including interest free loans to employees) to companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in firms and limited liability partnership and not granted any loan to firms and limited liability partnerships during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

Particulars	Loans (INR in million)
Aggregate amount during the year	
Subsidiaries*	11
Others	150
Balance outstanding as at balance sheet date	
Subsidiaries*	11
Others	92

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and loans granted during the year are not prejudicial to the interest of the Company. The Company has not provided guarantees, given securities or granted advances in the nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the loans given and investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

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

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Taxes	87	AY 2017-18	High Court of Telangana
The Income Tax Act, 1961	Income Taxes	68 (14)*	AY 2018-19	Commissioner of Income tax (Appeals)

Name of the statute	Nature of the dues	Amount (INR in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Taxes - Tax deducted at source	10 (2)*	AY 2018-19	Commissioner of Income tax (Appeals)
The Income Tax Act, 1961	Income Taxes - Tax deducted at source	14 (3)*	AY 2019-20	Commissioner of Income tax (Appeals)
The Income Tax Act, 1961	Income Taxes	8	AY 2023-24	Dispute Resolution panel, Bengaluru
The Income Tax Act, 1961	Income Taxes	44	AY 2022- 23	Income Tax Appellate Tribunal, Hyderabad
The Goods & Services Tax Act, 2017	Goods & Services tax	0**	Year 2021-22	The Commissioner of Central Taxes (Appeals), Lucknow, Uttar Pradesh
The Goods & Services Tax Act, 2017	Goods & Services tax	2	Year 2017-18 to 2021-22	Additional Commissioner of Central Taxes (Appeals), Jaipur, Rajasthan
The Goods & Services Tax Act, 2017	Goods & Services tax	4	Year 2017-18	Joint / Additional Commissioner (Appeals), Dehradun, Uttarakhand

*Represents amount paid under protest.
**Represents amount less than INR 1 million.

As explained to us, the Company did not have any disputed statutory dues on account of Provident Fund, Employees' State Insurance, Duty of Customs or Cess or other statutory dues.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the standalone 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 statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(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 in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in

Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as defined in the regulations made by the Reserve Bank of India). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance 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.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual report is expected to be made available to us after the date of this auditor's report.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:26218685MITMQY5812

Place: Hyderabad
Date: 29 May 2026

Annexure B to the Independent Auditor's Report on the standalone financial statements of NATCO Pharma Limited for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

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

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

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 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 Financial Statements

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

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:26218685MITMQY5812

Place: Hyderabad
Date: 29 May 2026

Standalone Balance Sheet

as at 31-03-2026

(All amounts in ₹millions, except share data and where otherwise stated)

Particulars	Note	As at 31-03-2026	As at 31-03-2025
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	5	25,197	24,096
(b) Capital work-in-progress	40	2,934	2,253
(c) Other intangible assets	6	956	1,072
(d) Investments in subsidiaries	7	25,931	4,904
(e) Financial assets			
(i) Investments	8	983	747
(ii) Loans	9	11	5
(iii) Other financial assets	10	611	1,815
(f) Deferred tax assets, net	30	2,241	410
(g) Non-current tax assets, net		111	27
(h) Other non-current assets	11	699	490
Total non-current assets		**59,674**	**35,819**
(2) Current assets			
(a) Inventories	12	7,236	6,421
(b) Financial assets			
(i) Investments	8	5,735	2,900
(ii) Trade receivables	13	7,596	11,782
(iii) Cash and cash equivalents	14	115	112
(iv) Bank balances other than (iii) above	14	11,758	18,457
(v) Loans	9	98	94
(vi) Other financial assets	10	7,342	4,130
(c) Other current assets	11	3,320	2,984
Total current assets		**43,200**	**46,880**
Total assets		**102,874**	**82,699**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	358	358
(b) Other equity	16	85,168	72,981
Total equity		**85,526**	**73,339**
(2) Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,000	-
(ii) Lease liabilities	18	11	12
(iii) Other financial liabilities	19	55	46
(b) Provisions	20	618	656
Total non-current liabilities		**1,684**	**714**
(B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	6,064	2,731
(ii) Lease liabilities	18	18	3
(iii) Trade payables	22		
- Total outstanding dues of micro enterprises and small enterprises; and		278	176
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,375	2,075
(iv) Other financial liabilities	19	1,299	1,119
(b) Other current liabilities	21	1,129	985
(c) Provisions	20	3,501	779
(d) Current tax liabilities (net)		-	778
Total current liabilities		**15,664**	**8,646**
Total liabilities		**17,348**	**9,360**
Total equity and liabilities		**102,874**	**82,699**
Material accounting policies	3 and 4		

The accompanying notes form an integral part of the standalone financial statements

As per our Report of even date attached
for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No. 128510W

Amit Kumar Bajaj
Partner
Membership Number: 218685

Place: Hyderabad
Date: 29 May 2026

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

V C Nannapaneni
Chairman and Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964

Amit Parekh
Chief Financial Officer

Place: Hyderabad
Date: 29 May 2026

Standalone Statement of Profit and Loss

for the year ended 31-03-2026

(All amounts in ₹millions, except share data and where otherwise stated)

	Note	For the year ended 31-03-2026	For the year ended 31-03-2025
1. Income			
(a) Revenue from operations	23	35,946	40,945
(b) Other income	24	2,811	3,213
Total income		**38,757**	**44,158**
2. Expenses			
(a) Cost of materials consumed	25	5,935	5,362
(b) Purchases of stock-in-trade		494	455
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(692)	116
(d) Employee benefits expense	27	5,917	5,153
(e) Finance costs	28	323	196
(f) Depreciation, amortisation and impairment expenses	5 and 6	1,896	2,200
(g) Other expenses	29	11,243	8,416
Total expenses		**25,116**	**21,898**
3. Profit before tax (1-2)		13,641	22,260
4. Tax expense:	30		
(a) Current tax		2,684	4,075
(b) Deferred tax		(1,858)	(319)
Total tax expenses		**826**	**3,756**
5. Profit for the year (3-4)		12,815	18,504
6. Other comprehensive income (OCI)			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit liability/(asset)		19	(78)
Tax on remeasurement of defined benefit liability/(asset)		(7)	27
(ii) Fair value changes in Equity investments through OCI		306	44
Tax impact of Fair value changes in Equity investments through OCI		(50)	(6)
Other comprehensive (loss)/ income for the year, net of tax		268	(13)
7. Total comprehensive income for the year (5+6)		**13,083**	**18,491**
8. Earnings per equity share (Face value of ₹2 each)	31		
Basic (in ₹)		71.55	103.31
Diluted (in ₹)		71.55	103.31
Material accounting policies	3 and 4		

The accompanying notes form an integral part of the standalone financial statements

As per our Report of even date attached
for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No. 128510W

Amit Kumar Bajaj
Partner
Membership Number: 218685

Place: Hyderabad
Date: 29 May 2026

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

V C Nannapaneni
Chairman and Managing Director
DIN: 00183315

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964
Place: Hyderabad
Date: 29 May 2026

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Amit Parekh
Chief Financial Officer

Standalone Statement of Cash Flows

for the year ended 31-03-2026

(All amounts in ₹millions, except share data and where otherwise stated)

Particulars	For the year ended 31-03-2026	For the period ended 31-03-2025
Cash flows from operating activities		
Profit before tax for the year	13,641	22,260
Adjustments for:		
Depreciation, amortisation and impairment expenses	1,896	2,200
Finance costs	323	196
Interest income	(2,139)	(1,701)
Provision or (reversal) of credit loss allowance on trade receivables and other financial assets, net	78	(22)
Bad debts written off	6	11
Capital work-in-progress written off	-	30
Liabilities written back	-	(5)
Net Loss/ (gain) on sale / discard of property, plant and equipment	251	(870)
(Profit)/ loss on sale of investments	(24)	(14)
Dividend income on equity investment at fair value through other comprehensive income	(6)	(21)
Unrealised foreign exchange (gain)/ loss, net	(133)	(8)
Operating profit before working capital changes	**13,893**	**22,056**
Changes in working capital:		
Increase in inventories	(815)	(452)
Decrease/ (increase) in trade receivables	4,397	(1,032)
Increase in other financial assets	(6)	(3)
Increase in other assets	(414)	(389)
Increase in trade payables	1,391	427
Increase/ (decrease) in provisions	2,703	(381)
Increase/ (decrease) in other financial liabilities	47	(106)
Increase/ (decrease) in other liabilities	144	(54)
Cash generated from operating activities	**21,340**	**20,066**
Income taxes paid, net of refund	(3,576)	(3,446)
Net cash generated from operating activities (A)	**17,764**	**16,620**
Cash flows from investing activities		
Purchase of property, plant and equipment (Refer note b below)	(3,833)	(4,037)
Proceeds from sale of property, plant and equipment	14	950
Acquisition of intangible assets	(27)	(1,043)
Investments in subsidiaries	(21,022)	(85)
Loan given to subsidiary company	(11)	-
Loans given to others	(4)	(4)
Proceeds from sale of investments	3,997	1,566
Advance for purchase of unquoted shares	-	(30)
Purchase of investments	(6,631)	(2,517)
Deposits with banks	(49,735)	(18,704)
Redemption of bank deposits	56,450	8,825
Interest received	2,323	1,248
Dividend received	6	21
Redemption of deposits with financial institutions (other than with banks)	5,897	3,848
Deposits with financial institutions (other than with banks)	(8,206)	(4,477)
Net cash used in investing activities (B)	**(20,782)**	**(14,439)**
Cash flows from financing activities		
Proceeds from long-term borrowings	4,000	-
Net proceeds from/ (repayment of) short-term borrowings	260	(892)
Dividends paid	(902)	(1,078)
Finance cost paid	(319)	(137)
Principal and interest payment of lease liabilities (refer note c below)	(18)	(17)
Net cash generated from/ (used in) financing activities (C)	**3,021**	(2,124)
Net increase in cash and cash equivalents (A+B+C)	**3**	**57**
Cash and cash equivalents as at the beginning of the year	112	55
Cash and cash equivalents as at the end of the year	115	112

Standalone Statement of Cash Flows

for the year ended 31-03-2026

(All amounts in ₹millions, except share data and where otherwise stated)

Components of cash and cash equivalents

Particulars	As at 31-03-2026	As at 31-03-2025
Cash and cash equivalents:		
Cash on hand	3	2
Balance with Banks:		
- Current accounts	112	110
	115	**112**

Notes:

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

b) Acquisition of Property, Plant and Equipment includes outflows of capital work-in-progress, capital advances and capital creditors.

c) Movement in borrowings and lease liabilities in accordance with Ind AS 7:

Particulars	As at 31-03-2026	As at 31-03-2025
Borrowings:		
Opening balance	2,731	3,632
Net proceeds/ (repayment of) from long term and short-term borrowings	4,260	(892)
Non-cash items (Foreign exchange changes)	73	(9)
Closing balance	**7,064**	**2,731**
Lease liabilities:		
Opening balance	15	29
Non cash changes	32	3
Cash flow changes	(18)	(17)
Closing balance	**29**	**15**

Material accounting policies 3 and 4

The accompanying notes form an integral part of the standalone financial statements

As per our Report of even date attached
for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No. 128510W

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

Amit Kumar Bajaj
Partner
Membership Number: 218685

Place: Hyderabad
Date: 29 May 2026

V C Nannapaneni
Chairman and Managing Director
DIN: 00183315

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964

Place: Hyderabad
Date: 29 May 2026

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Amit Parekh
Chief Financial Officer

Standalone Statement of Changes in Equity

for the year ended 31-03-2026

(All amounts in ₹millions, except share data and where otherwise stated)

A. Equity Share Capital

	Number of Shares	Amount
As at 01-04-2024	**179,109,870**	**358**
Changes in Equity share capital due to prior period errors	-	-
Restated balance as at 01-04-2024	179,109,870	358
Changes in Equity share capital during the year	-	-
As at 31-03-2025	**179,109,870**	**358**
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 01-04-2025	179,109,870	358
Changes in Equity share capital during the year	-	-
As at 31-03-2026	**179,109,870**	**358**

B. Other Equity

	Reserves and Surplus					Other comprehensive income	Total
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Gain/(loss) on FVTOCI equity securities	
As at 01-04-2024	**12,019**	**516**	**18**	**595**	**42,263**	**154**	**55,565**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the year	**12,019**	**516**	**18**	**595**	**42,263**	**154**	**55,565**
Profit for the year	-	-	-	-	18,504	-	18,504
Remeasurement of defined benefit plan, net of tax	-	-	-	-	(51)	-	(51)
Fair value changes in Equity instruments through OCI, net of tax	-	-	-	-	-	38	38
Profit on sale of investments	-	-	-	-	81	(81)	-
Transaction with owners - Dividends paid (refer note 15(ix))	-	-	-	-	(1,075)	-	(1,075)
As at 31-03-2025	**12,019**	**516**	**18**	**595**	**59,722**	**111**	**72,981**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the year	**12,019**	**516**	**18**	**595**	**59,722**	**111**	**72,981**
Profit for the year	-	-	-	-	12,815	-	12,815
Remeasurement of defined benefit plan, net of tax	-	-	-	-	12	-	12
Fair value changes in Equity instruments through OCI, net of tax	-	-	-	-	-	256	256
Profit on sale of investments	-	-	-	-	141	(141)	-
Transaction with owners - Dividends paid (refer note 15(ix))	-	-	-	-	(896)	-	(896)
As at 31-03-2026	**12,019**	**516**	**18**	**595**	**71,794**	**226**	**85,168**

The accompanying notes form an integral part of the standalone statements

As per our Report of even date attached
for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No. 128510W

Amit Kumar Bajaj
Partner
Membership Number: 218685

Place: Hyderabad
Date: 29 May 2026

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

V C Nannapaneni
Chairman and Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964
Place: Hyderabad
Date: 29 May 2026

Amit Parekh
Chief Financial Officer

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

1. Reporting entity information

NATCO Pharma Limited ("the Company") is a public limited company domiciled in India with its registered office situated at NATCO House, Road No. 2, Banjara Hills, Hyderabad – 500034. The Company has been incorporated under the provisions of Companies Act, 1956 and its equity shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India.

The Company is engaged in the business of pharmaceuticals and agricultural chemicals which comprises research and development, manufacturing and selling of bulk drugs, finished dosage formulations. The Company has manufacturing facilities in India which caters to both domestic and international markets including regulated markets like United States of America and Europe.

2. Basis of preparation

A. Statement of Compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act under the historical cost convention on an accrual basis and going concern except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

The standalone financial statements for the year ended 31 March 2026 were authorised and approved for issue by the Company's Board of Directors on 29 May 2026.

Details of Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupee ('INR' or '₹') which is also the Company's functional currency. All amounts have been rounded-off to the nearest million, unless otherwise indicated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as '0' in relevant notes in the standalone financial statements.

C. Operating cycle

The Company has ascertained its operating cycle as 12 months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

D. Basis of Measurement

These standalone financial statements have been prepared on the historical cost basis except for the following items which are measured on an alternative basis on each reporting date:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit asset/ (liability)	Fair value of plan assets less present value of defined benefit obligations (Refer Note 20)
Leases	Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.
	Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered. (Refer Note 41)

E. Use of estimates and judgements

In preparing these standalone financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Refer Note 4 for the estimates and judgments made in preparation of these standalone financial statements.

F. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservableinputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of reporting period during which the change has occurred.

G. Current/ Non-current classification

Based on the time involved between acquisition of assets for processing and their realisation of cash and cash equivalents, the Company has identified twelve months as it operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

3. Material accounting policies

a. Property, plant and equipment (PPE)

Recognition and initial measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Transition to Ind AS

The cost of property, plant and equipment at 1 April 2016, the Company's date of transition to Ind AS was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the Company. Depreciation rates followed by the Company coincides with rates prescribed in Schedule II to the Companies Act, 2013. Depreciation amount is recognised in the Statement of Profit and Loss. Depreciation for assets purchased / sold during the period is proportionately charged i.e. from/(upto) the date on which asset is ready for use/(disposed off).

The estimated useful lives of items of property, plant and equipment are as follows:

Assets	Management's Estimated useful life (in years)	Useful life as per Schedule II (in years)
Buildings	5 to 60	5 to 60
Plant and machinery	5 to 20	5 to 20
Computers	3 to 6	3 to 6
Vehicles	8 to 10	8 to 10
Office equipment	5	5
Furniture and fixtures	10	10

Freehold land is not depreciated.

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

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss, when the asset is derecognised.

Capital work-in-progress

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

b. Other Intangible assets

Recognition and measurement

Other Intangible assets (software) acquired separately are measured on initial recognition at their cost. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and costs directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Following initial recognition, other intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their useful lives and is generally recognized in depreciation and amortisation in the Statement of Profit and Loss.

The cost of capitalised software is amortised over a period of 6 years and the Abbreviated New Drug Application ('ANDA') acquired are amortised over a period of 10 years, on a straight-line basis. Amortisation on the addition/ disposals is charged on pro-rata basis from/(until) the date of such addition/(disposal).

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Transition to Ind AS

The cost of intangible assets at 1 April 2016, the Company's date of transition to Ind AS was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

c. Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognised as income or expenses in the period in which they arise. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Foreign currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the following items which are recognised in OCI –

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

d. Revenue from Contracts with Customer

The Company derives revenues primarily from sale of finished dosage formulations, active pharmaceutical ingredients (APIs) and agricultural chemicals, including niche and technically complex molecules.

The Company generates revenue from its ordinary activities i.e. from sale of goods and services. A contract in this context shall fulfill all of the following conditions:

- Both the parties to the contract agree on the contract terms
- Performance obligation of each of the parties is identifiable and there exists a commitment to perform their respective obligations; and
- The commercial substance or the purchase consideration is measurable and the collectability is probable.

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by the nature of sale i.e. manufactured and traded goods of pharmaceutical or agro chemical products and sale of service and geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cashflows are affected by industry, market and other economic factors.

Contract balances

The Company classifies the right to consideration in exchange for sales of goods as trade receivables, advance consideration as contract liability against payment and unredeemable customer loyalty points as contract liability against performance obligation.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods:

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns, chargebacks, where applicable and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc., where applicable.

The Company from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a non-refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. The variable consideration i.e. additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

At the end of each reporting period, the Company updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Sale of services:

Revenue from sale of dossiers/ licenses/services, includes in certain instances, certain performance obligations and based on evaluation of whether or not these obligations are in consequential or perfunctory, revenue is recognised in accordance with the terms of the contracts with the customers when the related performance obligation is completed at point in time or spread over a period of time, as applicable. These arrangements typically consist of an initial upfront payment on inception of the agreement and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain milestones are recognised as revenues either on achievement of such milestones or over the performance period depending on the terms of the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not require to adjust any of the transaction prices for the time value of money.

e. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they are incurred in the Statement of Profit and Loss.

f. Government 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 revenue, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is presented as a reduction to the carrying value of the related asset.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

g. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

i. Leases as a lessee

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

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The right-of-use assets is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

any, and adjusted for certain remeasurements of the lease liability. Impairment loss, if any, is recognised in the Statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The lease payments include

- fixed payments, including in substance fixed payment;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amount expected to be payable under a residual value guarantees,
- exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of use asset and Statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in Statement of profit andloss.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'Financial liabilities' in the Balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

ii. Leases as lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on straight-line basis over the lease term as part of 'other income'.

h. Impairment of non-financial assets (Intangible assets and property, plant and equipment)

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets with indefinite useful life are tested annually for impairment.

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 to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

i. Financial instruments

i. Recognition and Initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. At the time of initial recognition, these financial assets (unless it is a trade receivable without a significant financing component) or financial liabilities are measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initialrecognition.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL.

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met and is not designated as FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met and is not designated as FVTPL:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of investments:

a. Debt instruments at amortised cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

b. Equity investments – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

   These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

c. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL). Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Interest income and dividend income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). Interest income is included in other income in the Statement of Profit and Loss.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognised in profit or loss on the date when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financialasset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liabilities simultaneously.

v. Financial guarantee contracts

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

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

j. Impairment of financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI;

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit – impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables, loans, contract assets are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

k. Inventories

Inventories are valued at the lower of cost or net realisable value. The cost of inventories is determined on a moving weighted average basis, and includes acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value. The comparison of cost and net realisable value is made on an item-by-Item basis.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

l. Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that
  - is not a business combination and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

m. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

n. Post-employment, long-term and short-term employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays a specific contribution to a

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

separate entity and has no obligation to pay any further amounts. The Company's contribution to provident fund and employee state insurance schemes is charged to the Statement of profit and loss during the period in which the employee renders the related service. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan. The Company has no obligation, other than the contribution payable to these funds.

Defined benefit plan

The Company has gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date net of fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries, by adopting the projected unit credit method. Actuarial gains and losses resulting from re-measurements of the liability are included in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The Company has subscribed to a group gratuity scheme of Life Insurance Corporation of India (LIC). Under the said policy, the eligible employees are entitled for gratuity upon their resignation, retirement or in the event of death in lumpsum after deduction of necessary taxes upto a maximum limit of ₹2 million. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Gratuity Fund.

Other long-term employee benefits

The Company also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the Statement of profit or loss in the year in which such gains or losses arise.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee. Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

o. Share-based payments

Certain employees of the Company are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant using an appropriate valuation model.

The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest using fair value in accordance with Ind AS 102, Share based payment. The cost is recognised, together with a corresponding increase in 'Share options outstanding account' reserves in Equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p. Provisions, contingent liabilities and contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and Contingent assets

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent asset is not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

Onerous contracts

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract

q. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit (considered in determination of Basic EPS) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares)

r. Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

s. Research and development

Expenditure on research activities are expensed as and when incurred. Development expenses which meet defined criteria for capitalisation are capitalised if its the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Capital expenditure incurred on

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

research and development is capitalised as property, plant and equipment and depreciated in accordance with the depreciation policy of the Company.

t. Investments in subsidiaries

The Company's investment in its subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss.

u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

v. Recent accounting pronouncements

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

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

- Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

- Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

- Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

4. Use of Judgements and estimates

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of Material accounting policies

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

which are provided in Note 3 to the standalone financial statements, 'Material accounting policies'.

Judgments:

Taxes on income:

Significant judgments are involved in determining the provision for income taxes, including possibility of utilisation of Minimum Alternate Tax (MAT) credit in future. Refer Note 30.

Impairment of investments:

Significant judgment is involved in determining the estimated future cash flows from the investments to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the standalone financial statements. Refer Note 8.

Impairment of property, plant and equipment

Significant judgment is involved in determining the estimated future cash flows from the cash-generating unit to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the standalone financial statements. Refer Note 5.

Assumptions and estimation uncertainties:

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits. Refer Note 30.

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

Useful lives of property, plant and equipment/ intangible assets: Management reviews its estimate of the useful lives of property, plant and equipment/ intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment. Refer Note 5 and Note 6.

Defined benefit obligation (DBO): Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Refer Note 20.

Fair value measurements: Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. Refer Note 32.

Provisions: The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Refer Note 20.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

5. Property, plant and equipment

Reconciliation of carrying amount of Property, plant and equipment

	Freehold land	Buildings	Plant and equipments	Office equipments	Furniture	Vehicles	Computers	Right-of-use assets (refer note 41)	Total
A. Cost or Deemed cost (Gross carrying amount)									
As at 01-04-2024	**3,692**	**10,984**	**16,873**	**48**	**474**	**273**	**442**	**430**	**33,216**
Additions	1,686	369	1,374	4	56	74	68	-	3,631
Disposals	(113)	(55)	(124)	(15)	(19)	(13)	(67)	(26)	(432)
Balance as at 31-03-2025	**5,265**	**11,298**	**18,123**	**37**	**511**	**334**	**443**	**404**	**36,415**
Additions	805	250	1,816	0	33	92	97	28	3,121
Disposals	-	(39)	(930)	(2)	(11)	(39)	(23)	-	(1,044)
Balance as at 31-03-2026	**6,070**	**11,509**	**19,009**	**35**	**533**	**387**	**517**	**432**	**38,492**
B. Accumulated depreciation									
As at 01-04-2024	**-**	**2,062**	**7,637**	**43**	**225**	**161**	**312**	**44**	**10,484**
Depreciation for the year	-	351	1,102	3	40	28	50	20	1,594
Disposals	-	(27)	(97)	(15)	(17)	(10)	(67)	(26)	(259)
Balance as at 31-03-2025	**-**	**2,386**	**8,642**	**31**	**248**	**179**	**295**	**38**	**11,819**
Depreciation for the year	-	385	1,207	3	45	33	59	21	1,753
Disposals	-	(16)	(698)	(2)	(10)	(29)	(22)	-	(777)
Balance as at 31-03-2026	**-**	**2,755**	**9,151**	**32**	**283**	**183**	**332**	**59**	**12,795**
C. Impairment losses									
As at 01-04-2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment Loss for the year (refer note (vi))	-	302	198	-	-	-	-	-	500
Balance as at 31-03-2025	**-**	**302**	**198**	**-**	**-**	**-**	**-**	**-**	**500**
Impairment Loss for the year	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2026	**-**	**302**	**198**	**-**	**-**	**-**	**-**	**-**	**500**
D. Net carrying amounts (A-B-C)									
As at 31-03-2025	**5,265**	**8,610**	**9,283**	**6**	**263**	**155**	**148**	**366**	**24,096**
As at 31-03-2026	**6,070**	**8,452**	**9,660**	**3**	**250**	**204**	**185**	**373**	**25,197**

(i) Contractual obligations - Refer to note 38(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Refer to note 41 for disclosure of leases under Ind AS 116.

(iii) Refer to note 17 for details of assets mortgaged.

(iv) The Company has not revalued any property, plant and equipment after initial recognition, during the current year and previous year.

(v) Expenditure incurred towards purchase of assets/ equipments for research and development activities amounts to ₹192 (31-03-2025: ₹498).

(vi) During the previous year, as required by Ind AS 36, an assessment of impairment of assets was carried out and based on such assessment an impairment loss was recognised.

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(All amounts in ₹ millions, except share data and where otherwise stated)

The Company identified its reportable segments Pharmaceuticals and Agro Chemicals as separate Cash generating units ('CGUs') for the purpose of impairment testing. Basis the assessment of indicators of impairment, owing to the continous losses in the Agro chemical segment and reduction in the forcasted revenue and free cashflows, the Company had performed an assessment of possible impairment in the Property, plant and equipment of the Agro Chemicals segment.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The enterprise value is then compared with net book value of CGU to test for impairment.

The Company had performed impairment assessment of identified CGU and the impairment loss identified is as below:

Particulars	As at 31-03-2025
Value in use	2,398
Carrying value	2,898
Impairment loss recognised under depreciation and amortisation expense in statement of profit and loss	500

Carrying value is equal to the net assets of the Agro Chemical Segment.

Weighted average cost of capital % (WACC) pre tax ('Discount rate') used for arriving at the value in use is 14.99%.

Further, the Board of Directors at its meeting held on 24-03-2026, approved (subject to the requisite and other approvals) a Scheme of Arrangement (Demerger) involving the demerger of its Agro Chemical business undertaking into NATCO Crop Health Sciences Limited (newly incorporated wholly owned subsidiary). The Scheme of Arrangement has been filed with relevant regulatory authorities for approval. Accordingly, the management has used the market comparable method for valuing the Agro Chemical segment for the current year and no further impairment is recognised in the books of account.

6. Other intangible assets

Reconciliation of carrying amount of Intangible assets

	Other Intangible assets		
	Abbreviated new drug applications '(ANDA')	Computer software	Total
A. Cost or Deemed cost (Gross carrying amount)			
As at 01-04-2024	**-**	**379**	**379**
Acquisition/additions	1,022	21	1,043
Disposals	-	(0)	(0)
As at 31-03-2025	**1,022**	**400**	**1,422**
Acquisition/additions	-	27	27
Disposals	-	(2)	(2)
As at 31-03-2026	**1,022**	**425**	**1,447**
B. Accumulated amortisation			
As at 01-04-2024	**-**	**244**	**244**
Amortisation for the year	65	41	106
Disposals	-	(0)	(0)
As at 31-03-2025	**65**	**285**	**350**
Amortisation for the year	102	41	143
Disposals	-	(2)	(2)
As at 31-03-2026	**167**	**324**	**491**

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(All amounts in ₹ millions, except share data and where otherwise stated)

	Other Intangible assets		
	Abbreviated new drug applications '(ANDA')	Computer software	Total
C. Net carrying amounts (A-B)			
As at 31-03-2025	**957**	**115**	**1,072**
As at 31-03-2026	**855**	**101**	**956**

(i) The Company has not revalued any intangible assets after initial recognition, during the current year and previous year.

7. Investments in subsidiaries

	As at 31-03-2026	As at 31-03-2025
Non-current		
a) Interest in subsidiaries		
Investment in equity instruments (fully paid-up)		
At cost less provision for other than temporary impairment		
Unquoted		
35,065 (31-03-2025: 33,565) common shares of US$1,000 each, in Natco Pharma Inc.	2,698	2,570
2,473,009 (31-03-2025: 2,473,009) equity shares of US$10 each, in Time Cap Overseas Limited	1,706	1,706
2,810,881 (31-03-2025: 2,810,881) equity shares of Canadian Dollar 1 each, in NATCO Pharma (Canada) Inc.	232	232
2,095,000 (31-03-2025: 2,095,000) equity shares of Singapore Dollar 1 each, in NATCO Pharma Asia Pte. Ltd.	102	102
3,908,572 (31-03-2025: 3,908,572) equity shares of Australian Dollar 1 each, in NATCO Pharma Australia PTY Ltd.	210	210
519,221 (31-03-2025: 485,358) equity shares of 100 PHP each, in NATCO Lifesciences Philippines Inc.	73	68
1,228,810 (31-03-2025: 1,228,810) equity shares of £ 1 each, in NATCO Pharma UK Limited	126	126
146,500 (31-03-2025: 146,500) equity shares of 100,000 IDR each, in PT.NATCO Lotus Farma	76	76
411,655 (31-03-2025: 218,960) equity shares of 1,000 COP each, in NATCO Pharma Colombia S.A.S.	9	4
388,411 (31-03-2025: Nil) ordinary shares of 10,000 ZAR each, in NATCO Pharma South Africa Pty Ltd	20,799	-
44,777,462 (31-03-2025: Nil) equity shares of ₹2 each, in NATCO Crop Health Sciences Ltd	90	-
Deemed investment in NatcoFarma do Brasil Ltda.	20	20
Less: Provision for diminution in value of investments	(210)	(210)
	25,931	**4,904**
Aggregate book value of unquoted investments	25,931	4,904
Aggregate amount of provision for impairment in the value of investments	210	210

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

8. Investments

	As at 31-03-2026	As at 31-03-2025
I. Non-current		
a) Investment in equity instruments (fully paid-up)		
Unquoted		
At fair value through other comprehensive income		
139,451 (31-03-2025: 139,451) equity shares of ₹10 each, in OMRV Hospitals Pvt Ltd	85	106
21,769 (31-03-2025: 21,769) equity shares of ₹10 each, in Veda Seedsciences Pvt Ltd	80	99
8,000 (31-03-2025: 8,000) equity shares of ₹10 each, in Cipher Oncology Pvt Ltd	14	14
4,054 (31-03-2025: 4,054) equity shares of $1 each, in NATIVITA JLLC	0	0
30 (31-03-2025: 30) equity shares of € 0.5 per share of Pharnasanta B.V	0	0
750 (31-03-2025: 750) equity shares of ₹100 each, in Jeedimetla Effluent Treatment Ltd	0	0
34,400 (31-03-2025: 34,400) equity shares of ₹10 each, in Pattancheru Enviro-Tech Ltd	0	0
10 (31-03-2025: 10) equity shares of ₹10 each, in Redcliffe Hygiene Pvt Ltd	0	0
375 (31-03-2025: 10) equity shares of ₹10 each, in Cellogen Therapeutics Pvt Ltd	44	1
299 (31-03-2025: 299) equity shares of ₹1 each, in Simplify Wellness India Pvt Ltd	10	10
27,000 (31-03-2025: 27,000) equity shares of ₹10 each, in Jayalakshmi Spinning Mills Ltd	0	0
150,000 (31-03-2025: 150,000) equity shares of ₹1 each, in Lanco Infratech Ltd	0	0
30,000 (31-03-2025: 10,000) equity shares of ₹1 each, in National Stock Exchange of India Ltd	58	8
1,74,397 (31-03-2025: Nil) equity shares of ZAR 10,000 each, in Adcock Ingram Holdings Ltd,South Africa	70	-
Less: Provision for diminution in value of investments	(0)	(0)
	361	**238**
b) **Other investments**		
Unquoted		
At fair value through other comprehensive income		
4,757 (31-03-2025: 4,619) units of ₹10,000 each, in Endiya Trust	111	108
37 (31-03-2025: Nil) units of ₹10,000 each, in Meenakshi Real Assets Fund	4	-
500,000 (31-03-2025: 500,000) 0.05% compulsorily convertible preference shares (CCPS) of ₹100 each, in OMRV Hospitals Pvt Ltd	40	50
Nil (31-03-2025: 5,726) 0.0001% CCPS of ₹10 each, in Eyestem Research Pvt. Ltd	-	75
16,953,299 (31-03-2025: 16,953,299) 0.001% CCPS of $1 each, in Eywa Pharma Pte Ltd	62	62
8,116 (31-03-2025: 8,116) 0.001% CCPS of ₹10 each, in Redcliffe Hygiene Pvt Ltd	262	130
1,112 (31-03-2025: 556) 0.1% CCPS of ₹10 each, in Cellogen Therapeutics Pvt Ltd	133	74
1 (31-03-2025: 1) Convertible note (CN) of ₹10,000,000 each, in Cipher Oncology Pvt Ltd	10	10

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2026	As at 31-03-2025
	622	509
Unquoted		
At amortised cost		
National savings certificates	0	0
	-	-
Total non-current investments	983	747
Aggregate book value of unquoted investments	983	747
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of impairment in the value of investments	(0)	(0)
II. Current		
a) Investments in equity instruments (fully paid-up)		
Quoted		
At fair value through other comprehensive income		
2,000 (31-03-2025: 3,000) equity shares of ₹10 each, in Neuland Laboratories Ltd	24	36
5,500 (31-03-2025: 5,500) equity shares of ₹1 each, in Sun Pharmaceuticals Industries Ltd	10	10
530 (31-03-2025: 530) equity shares of ₹2 each, in Alkem Laboratories Ltd	3	3
12,400 (31-03-2025: 12,400) equity shares of ₹1 each, in Zydus Lifesciences Ltd	11	11
150,000 (31-03-2025: 250,000) equity shares of ₹2 each, in Laurus Labs Ltd	149	152
22,700 (31-03-2025: 22,700) equity shares of ₹1 each, in GMR Airports Limited	2	2
5,000 (31-03-2025: 15,000) equity shares of ₹1 each, in Panacea Biotec Ltd	1	7
2,100 (31-03-2025: 2,100) equity shares of ₹1 each, in ICICI Prudential Life Insurance Company Ltd	1	1
4,000 (31-03-2025: 4,000) equity shares of ₹1 each, in JB Chemicals and Pharmaceuticals Ltd	8	6
30,000 (31-03-2025: 30,000) equity shares of ₹10 each, in Medplus Health Services Ltd	25	23
2,270 (31-03-2025: 2,270) equity shares of ₹5 each, in GMR Power & Urban Infra Ltd	0	0
18,300 (31-03-2025: 18,300) equity shares of ₹1 each, in Ravinder Height Ltd	1	1
107,344 (31-03-2025: 65,344) equity shares of ₹1 each, in FDC Ltd	34	26
2,000 (31-03-2025: 2,000) equity shares of ₹1 each, in Eris Life Sceinces Ltd	3	3
7,300 (31-03-2025: 7,300) equity shares of ₹10 each, in Indusind Bank Ltd	5	5
149 (31-03-2025: 15,000) ₹1000/- each,ICICI Prudential BSE Liquid Rate ETF	-	15
1,140 (31-03-2025: 126) equity treasury shares of ZAR 10 cents each, in Nasper Ltd,South Africa	6	3
Nil (31-03-2025: 1,74,397) equity treasury shares of ZAR 10,000 each, in Adcock Ingram Holdings Ltd,South Africa	-	39
	283	343
b) Investment in Bonds, Debentures and Commercial Papers (fully paid-up)		
Quoted		
At amortised cost		
Nil (31-03-2025: 100) 7.73% Series III Perpetual Bonds of ₹1,000,000 each, issued by State Bank of India	-	106
Nil (31-03-2025: 1,500) 8.60% NCDs of ₹1,00,000/- each, through issuer Piramal capital & housing finance Ltd.	-	158

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2026	As at 31-03-2025
Nil (31-03-2025: 2,500) 9.65% NCDs of ₹1,00,000/- each, through issuer Shriram Finance Ltd	-	274
Nil (31-03-2025: 7500) 9.25% NCD of ₹1,00,000/- each, through issuer Shriram Finance Ltd	-	772
5,000 (31-03-2025: Nil) 7.35% NCDs of ₹1,000,000 each, issued by Bharathi Telecom Limited	518	-
2,500 (31-03-2025: Nil) 8.90% NCDs of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	266	-
5,000 (31-03-2025: Nil) 8.75% NCDs of ₹1,00,000/- each, through issuer Piramal Enterprises Ltd	522	-
2,500 (31-03-2025: Nil) 8.05% NCDs of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	259	-
6,000 (31-03-2025: Nil) 9.30% NCDs of ₹1,00,000/- each, through issuer Piramal Enterprises Ltd	653	-
2500 (31-03-2025: Nil) 9.10% NCDs of ₹1,00,000/- each, through issuer Shriram Finance Ltd	256	-
2,500 (31-03-2025: Nil) 8.9267% NCDs of ₹1,00,000/- each, through issuer Shriram Finance Ltd	269	-
3,000 (31-03-2025: Nil) 8.75% NCDs of ₹1,00,000/- each, through issuer Shriram Finance Ltd	304	-
3,000 (31-03-2025: Nil) 9.12% NCDs of ₹1,00,000/- each, through issuer Piramal Enterprises Ltd	325	-
2,500 (31-03-2025: Nil) 8.85% NCDs of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	260	-
500 (31-03-2025: Nil) 8.43% NCDs of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	53	-
3,500 (31-03-2025: Nil) 9.02% NCDs of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	379	-
300 (31-03-2025: Nil) 9.20% NCDs of ₹1,00,000/- each, through issuer Nuvama Wealth and Investment Ltd	32	-
60,000 (31-03-2025: Nil) 9.25% NCDs of ₹1,000/- each, through issuer Muthoot Fincorp Ltd	61	-
600 (31-03-2025: Nil) 10% NCDs of ₹1,00,000/- each, through issuer Muthoot Capital Services Ltd	60	-
Nil (31-03-2025: 250) 8.80% Series X Perpetual Bonds of ₹1,000,000 each, issued by Bharathi Telecom Limited	-	259
	4,217	**1,569**
Unquoted		
At amortised cost		
2,000 (31-03-2025: Nil) 7.9% Commercial Paper (CP) of ₹500,000/- each,through issuer Piramal Enterprises Limited	990	-
500 (31-03-2025: Nil) 8.35% Commercial Paper (CP) of ₹500,000/- each, through issuer IIFL Finance Limited	245	-
Nil (31-03-2025:2,000) 8.6% Commercial Paper (CP) of ₹500,000/- each, through issuer Piramal Enterprises Limited	-	988
	1,235	**988**
Total current investments	**5,735**	**2,900**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2026	As at 31-03-2025
The Company has not traded or invested in crypto currency or virtual currency during the current year or previous year.		
Information about the Company's exposure to market risks is included in Note 33.		
Aggregate book value of unquoted investments	1,235	988
Aggregate book value of quoted investments	4,500	1,912
Aggregate market value of quoted investments	4,500	1,912
Aggregate amount of impairment in the value of investments	-	-

9. Loans

	As at 31-03-2026	As at 31-03-2025
(Unsecured, considered good)		
Non-current		
Loan to subsidiary (Refer note 36)*	11	5
	11	**5**
Current		
Loans to employees	98	94
	98	**94**

Information about the Company's exposure to credit risk is included in Note 33.

*During the year, the oustanding loan to subsidiary of INR 5 million as at 31 March 2025 was converted into equity after obtaining all the regulatory approvals.

10. Other financial assets

	As at 31-03-2026	As at 31-03-2025
(Unsecured, considered good)		
Non-current		
Security deposits	185	179
Bank deposits due to mature after 12 months from the reporting date	-	16
Deposits with financial institutions (other than with banks)	400	1,550
Advance for purchase of unquoted shares	-	30
Interest on deposits, accrued but not due	26	40
	611	**1,815**
Current		
Deposits with financial institutions (other than with banks)	6,636	3,177
Interest on loans and deposits, accrued but not due	706	953
Interest on loan to subsidiary, accrued but not due (Refer note 36)	0	0
	7,342	**4,130**
Information about the Company's exposure to credit risk is included in Note 33.		

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

11. Other assets

	As at 31-03-2026	As at 31-03-2025
Non-current		
Capital advances		
Unsecured, considered good	697	488
Unsecured, considered doubtful	23	19
	720	**507**
Less: Allowance for doubtful advances	(23)	(19)
	697	**488**
Advances other than capital advances		
(Unsecured, considered good)		
Prepaid expenses	1	1
Balance with statutory authorities	1	1
	2	**2**
	699	**490**
Current		
Advances other than capital advances		
Advance to material suppliers/ service providers		
Unsecured, considered good	411	618
Unsecured, considered doubtful	245	171
	656	**789**
Less: Allowance for doubtful advances	(245)	(171)
	411	**618**
(Unsecured, considered good)		
Prepaid expenses	188	264
Export incentives	20	17
Balance with statutory authorities	2,701	2,085
	2,909	**2,366**
	3,320	**2,984**

12. Inventories

	As at 31-03-2026	As at 31-03-2025
(Valued at lower of cost or net realisable value)		
Raw materials [including goods-in-transit of ₹72 (31-03-2025: ₹151)]	**2,737**	**2,337**
Work-in-progress	**1,431**	**1,253**
Finished goods [including goods-in-transit of ₹56 (31-03-2025: ₹13)]	**1,702**	**1,149**
Stock-in-trade	**161**	**200**
Stores and spares [including goods-in-transit of ₹9 (31-03-2025: ₹13)]	**790**	**974**
Packing materials [including goods-in-transit of ₹13 (31-03-2025: ₹2)]	**415**	**508**
	7,236	**6,421**

The write-down of inventories during the year amounted to ₹831 (31-03-2025: ₹661). The write down are included in changes in inventories and cost of materials consumed.

Refer note 17 for details of inventories hypothecated against borrowings.

Refer note 3(k) to material accounting policies.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

13. Trade receivables

	As at 31-03-2026	As at 31-03-2025
Current		
(Unsecured)		
Unsecured trade receivables	7,793	11,979
Less: Provision for impairment	197	197
	7,596	**11,782**

Ageing of trade receivables as at 31-03-2026

Outstanding for following periods from due date of payment	Undisputed	
	Considered good	Credit impaired
Unbilled	1,507	-
Not due	4,482	5
Less than 6 months	1,568	66
6 months to 1 year	21	10
1-2 years	18	90
2-3 years	-	21
More than 3 years	-	5
Total	**7,596**	**197**

Ageing of trade receivables as at 31-03-2025

Outstanding for following periods from due date of payment	Undisputed	
	Considered good	Credit impaired
Unbilled	8,338	-
Not due	2,875	39
Less than 6 months	556	57
6 months to 1 year	13	58
1-2 years	-	38
2- 3 years	-	4
More than 3 years	-	1
Total	**11,782**	**197**

Refer note 17 for details of trade receivables hypothecated against borrowings.

Refer note 36 for details of trade receivables from related parties.

There are no disputed trade receivables as at 31-03-2026 and 31-03-2025.

There are no outstanding trade receivables by directors or other officers of the Company or by firms or private companies in which director is partner or member as at 31-03-2026 and as at 31-03-2025.

Information about the Company's exposure to credit risks and market risks and impairment losses for trade receivables is included in Note 33.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Transfer of trade receivables

The Company sold with recourse trade receivables to banks. These trade receivables have not been derecognised from the balance sheet, because the Company retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a secured bank loan (see Note 17).

The following information shows the carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities.

Carrying amount of trade receivables transferred to a bank	1,726	1,579
Carrying amount of associated liabilities	(1,726)	(1,579)

14. Cash and bank balances

	As at 31-03-2026	As at 31-03-2025
Cash and cash equivalents		
Cash on hand	3	2
Balances with banks:		
- On current accounts	112	110
	115	**112**
Bank balances other than cash and cash equivalents		
Deposits (having original maturity more than 3 months) due to mature within 12 months from the reporting date*	11,736	18,429
Unpaid dividend accounts	22	28
	11,758	**18,457**

*Bank deposits given as margin money and lien marked against bank guarantees/ performance guarantees issued by banks amounting to ₹24 (31-03-2025 : ₹41).

15. Equity share capital

i. Authorised share capital

	As at 31-03-2026		As at 31-03-2025	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹2 each	225,000,000	450	200,000,000	400

ii. Issued, subscribed and fully paid up

	As at 31-03-2026		As at 31-03-2025	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹2 each	179,109,870	358	179,109,870	358
	179,109,870	**358**	**179,109,870**	**358**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	As at 31-03-2026		As at 31-03-2025	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares				
Shares outstanding at the beginning of the year	179,109,870	358	179,109,870	358
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**179,109,870**	**358**	**179,109,870**	**358**

iv. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

v. Details of shareholders holding more than 5% of the total number of equity shares

Name of the equity shareholder	As at 31-03-2026		As at 31-03-2025	
	Number of Shares	% holding	Number of Shares	% holding
V C Nannapaneni	28,045,905	15.66%	28,045,905	15.66%
Time Cap Pharma Labs Private Limited	17,175,420	9.59%	17,175,420	9.59%
V S Swathi Kantamani	15,933,340	8.90%	15,933,340	8.90%
Natsoft Information Systems Private Limited	15,784,900	8.81%	15,784,900	8.81%

As per records of the Company including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

vi. Details of shares held by Promotors at the end of the period

Name of the promoter	As at 31-03-2026			As at 31-03-2025		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Equity shares of ₹2 each, fully paid up						
V C Nannapaneni	28,045,905	15.66%	-	28,045,905	15.66%	-
Kantamani Ratna Kumar	50,000	0.03%	-	50,000	0.03%	-50.00%
Durga Devi Nannapaneni	3,539,100	1.98%	-	3,539,100	1.98%	-
Rajeev Nannapaneni	1,078,000	0.60%	-	1,078,000	0.60%	-4.43%
Neelima Sita Nannapaneni	182,960	0.10%	-	182,960	0.10%	-
Devendranth Alapati	15,000	0.01%	-	15,000	0.01%	-
Bapineedu Tummala	415	0.00%	-	415	0.00%	-
Tummala Jansi	77,100	0.04%	-	77,100	0.04%	-
T Ananda Babu	413,205	0.23%	-	413,205	0.23%	-
Vidyadhari Tummala	367,200	0.21%	-	367,200	0.21%	-16.96%
T Anila	564,920	0.32%	-	564,920	0.32%	-5.83%

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Name of the promoter	As at 31-03-2026			As at 31-03-2025		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
V S Swathi Kantamani	15,933,340	8.90%	-	15,933,340	8.90%	-0.31%
Natsoft Information Systems Pvt Ltd	15,784,900	8.81%	-	15,784,900	8.81%	-
Time Cap Pharma Labs Private Limited	17,175,420	9.59%	-	17,175,420	9.59%	-
Natco Aqua Limited	16,000	0.01%	-	16,000	0.01%	-
NDL Infratech Private Limited	93,750	0.05%	-	93,750	0.05%	-
Neelima Nannapaneni Trust	4,082,750	2.28%	-	4,082,750	2.28%	-
Durga Devi Nannapaneni Family Pvt Trust	600,000	0.33%	-	600,000	0.33%	-
Satya Vani Nannapaneni	334,851	0.19%	(20.27%)	420,000	0.23%	100%
Sanjay Nannapaneni	156,910	0.09%	(52.00%)	326,910	0.18%	100%
VCN Family Private Trust	1,700	0.00%	-	1,700	0.00%	-
SAU Family Trust	1,700	0.00%	-	1,700	0.00%	-
	88,515,126	**49.43%**		**88,770,275**	**49.56%**	

vii. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

	2025-26	2024-25	2023-24	2022-23	2021-22
Equity shares bought-back	-	-	3,360,245	87,050	-

viii. There were no stock options granted by the Company during the current year and previous year.

ix. Dividend paid

Dividends on equity shares were declared and paid by the Company during the year:

Name of the promoter	2025-26			2024-25		
	Date of approval of Board of Directors	Dividend per Equity share (₹)	Amount in (₹) million	Date of approval of Board of Directors	Dividend per Equity share (₹)	Amount in (₹) million
First interim dividend	12-08-2025	2.00	358	12-08-2024	3.00	537
Second interim dividend	14-11-2025	1.50	269	12-11-2024	1.50	269
Third interim dividend	12-02-2026	1.50	269	12-02-2025	1.50	269
Total			**896**			**1,075**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

16.Other equity

A Reserves and surplus

	As at 31-03-2026	As at 31-03-2025
Securities premium reserve		
Balance at the beginning of the year	12,019	12,019
Add: Additions during the year	-	-
Balance at the end of the year	**12,019**	**12,019**
Capital reserve		
Balance at the beginning of the year	516	516
Add: Transferred during the year	-	-
Balance at the end of the year	516	516
Capital redemption reserve		
Balance at the beginning of the year	18	18
Add: Transferred during the year	-	-
Balance at the end of the year	**18**	**18**
General reserve		
Balance at the beginning of the year	595	595
Add: Additions during the year	-	-
Balance at the end of the year	**595**	**595**
Retained earnings		
Balance at the beginning of the year	59,722	42,263
Add: Profit for the year	12,815	18,504
Add: Remeasurement of defined benefit obligation, net of tax	12	(51)
Less: Interim dividends	(896)	(1,075)
Add: Transfer from FVOCI - equity investments - Realised profit on FVOCI	141	81
Balance at the end of the year	71,794	59,722
Total reserves and surplus	**84,942**	**72,870**

B Other items of OCI

	As at 31-03-2026	As at 31-03-2025
FVOCI - Equity instruments		
Opening balance	111	154
Less: Transferred to retained earnings - Realised profit on FVOCI	(141)	(81)
Add: Changes in fair value	306	44
Tax impact on the above adjustments	(50)	(6)
Closing balance	226	111
Total other equity	**85,168**	**72,981**

C Nature and purpose of reserves

Securities premium

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

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Capital reserve

Capital reserve was created on amalgamation of certain entities into the Company in the earlier years and the transactions with Shareholders. The Company uses capital reserve for transactions in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve

The Company had purchased its own shares and as per the provision of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve. The Company uses capital redemption reserve for transactions in accordance with the provisions of the Companies Act, 2013.

General reserve

The Company generally appropriates a portion of its earnings to the general reserve to be used for contingencies. These reserves are freely available for use by the Company.

Fair value through Other comprehensive income (FVOCI)

The Company has elected to recognise the change in fair value of certain investments in equity shares in other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

Retained earnings

Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit and loss and other comprehensive income pertaining to remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit plan less dividend distribution.

17. Borrowings

	As at 31-03-2026	As at 31-03-2025
Non-current		
Secured		
Term Loans from banks (refer note (i) below)	1,000	
	1,000	**-**
Current		
Secured		
Term Loans from banks (refer note (i) below)	3,000	-
Loan repayable on demand from banks		
Working capital loans (secured) (refer note (ii) below)	1,726	1,818
Unsecured		
Loan repayable on demand from banks		
Working capital loans (unsecured) (refer note (iii) below)	1,338	913
	6,064	**2,731**

Notes:

(i) Term loan from bank (secured) represents amount borrowed for the purpose of part funding for overseas direct investment involving acquisition of approximately 35% equity stake in a foreign company, to be undertaken either directly or through a wholly owned subsidiary. The term loan is secured by an exclusive charge by way of First Charge on entire Plant and Machinery and Land and Building of Mekaguda Plant of the Company situated at Mekaguda gram Panchayat, Nandigama Revenue Village and Mandal, Ranga Reddy District, in the State of Telangaga with minimum security coverage of 1.25. The applicable rate of interest is a 91 days T Bill +150 bps with quarterly reset. The loan is repayable in 4 quarterly installments starting from 31 July 2026.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(ii) Working capital loans (secured) represents cash credit and bills discounted with various banks. These working capital loans are secured by joint pari-passu first charge on all the current assets and property, plant and equipment of:

i) Land admeasuring 17.19 acres comprised in survey no. 70 of village Nandikonda, Mandal Peddavoora, District Nalgonda in the State of Telangana together with all buildings and structures thereon and all plant and equipment attached to the earth.

ii) House/premise bearing municipal no. 8-2-120/112/A/33 and 8-2-120/112/A/32 in plot no.100 admeasuring 1,166 sq. yards with all its building and fixed assets situated at Road No.2, Banjara Hills, Hyderabad - 500034.

(iii) Working capital loans (unsecured) represents overdraft facility and bills discounted with various banks.

(iv) The rate of interest applicable was in the range of 2.492% to 8.85% p.a (31-03-2025: 4.155% to 9.30% p.a) for secured and unsecured working capital loan.

(v) Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 33.

(vi) Quarterly statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account.

(vii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(viii) The Company has not availed any specific borrowing during the year other than as disclosed above.

(ix) There were no delay/default in repayment of dues or delays in payment of interest to banks.

18. Lease liabilities

	As at 31-03-2026	As at 31-03-2025
Non-current		
Lease liabilities (Refer note 41)	11	12
	11	**12**
Current		
Lease liabilities (Refer note 41)	18	3
	18	**3**

19. Other financial liabilities

	As at 31-03-2026	As at 31-03-2025
Non-current		
Deposits from customers	55	46
	55	**46**
Current		
Capital creditors (refer note 22 for disclosure related to MSME)	719	571
Unpaid dividend	22	28
Payroll related liabilities	558	520
	1,299	**1,119**

Information about the Company's exposure to foreign currency and liquidity risks is included in Note 33.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

20. Provisions

	As at 31-03-2026	As at 31-03-2025
Non-current		
Provision for employee benefits:		
Provision for gratuity (refer note (a))	91	181
Provision for compensated absences (refer note (b))	501	454
Provision for defined benefit retirement plan (refer note (c))	26	21
	618	**656**
Current		
Provision for employee benefits:		
Provision for gratuity (refer note (a))	167	161
Provision for compensated absences (refer note (b))	109	103
Provision for defined benefit retirement plan (refer note (c))	0	0
Other provisions		
Provision for refund liability (refer note (e))	2,595	168
Provision for litigations (refer note (f))	630	347
	3,501	**779**

(a) Gratuity

The Company has subscribed to a group gratuity scheme of Life Insurance Corporation of India (LIC). Under the said policy, the eligible employees are entitled for gratuity upon their resignation, retirement or in the event of death in lumpsum after deduction of necessary taxes up to a maximum limit of ₹2. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Gratuity Fund. The defined benefit plans expose the Company to actuarial risk, interest rate risk and investment risk etc.

Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability.

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment. The Gratuity plan is administered through Group Gratuity Scheme with Life Insurance Corporation of India ('LIC'). Every employee who has completed five years or more of service or or every fixed term employee who has completed one year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months .

The Company has determined that, in accordance with the terms and conditions of the gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. As such, no decrease in the defind benefit asset is necessary at 31-03-2026 (31-03-2025: no decrease in defined benefit asset). Project unit credit method has been used for valuation.

The following tables sets out the status of the gratuity plan and the reconciliation of opening and closing balances of the present value and defined benefit obligation:

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(i) Reconciliation of the present value of defined benefit obligation

	As at 31-03-2026	As at 31-03-2025
Opening balance	1,065	850
Current service cost	99	87
Interest cost	71	61
Benefits paid	(85)	(42)
Remeasurement or Actuarial gain/ (loss) arising from:		
Experience adjustment	22	34
Change in demographic assumptions	(2)	(38)
Change in financial assumptions	(28)	113
Closing balance	**1,142**	**1,065**

(ii) Reconciliations of present value of plan assets

	As at 31-03-2026	As at 31-03-2025
Opening balance	723	517
Interest income	48	37
Employer contribution	185	201
Benefits paid	(85)	(42)
Return on plan assets, excluding interest income	13	10
Closing balance	**884**	**723**

(iii) Reconciliation of net defined benefit obligation

	As at 31-03-2026	As at 31-03-2025
Present value of funded obligation	1,142	1,065
Fair value of plan assets	(884)	(723)
Amount recognised in the balance sheet	**258**	**342**

(iv) Expense recognised in the statement of profit and loss under employee benefits expense:

	For the year ended 31-03-2026	For the year ended 31-03-2025
Current service cost	99	87
Interest cost	71	61
Interest income	(48)	(37)
Net cost	**122**	**111**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(v) Remeasurements recognised in the statement of other comprehensive income

	For the year ended 31-03-2026	For the year ended 31-03-2025
Experience adjustment on funded obligation	(8)	109
Return on plan assets, excluding interest income	(13)	(10)
Net gratuity costs in other comprehensive income	**(21)**	**99**

(vi) Plan assets comprises of the following:

	As at 31-03-2026	As at 31-03-2025
Group gratuity fund managed by LIC	884	723

(vii) Summary of actuarial assumptions:

	As at 31-03-2026	As at 31-03-2025
Discount rate	7.00%	6.65%
Salary escalation rate	7.50%	7.50%
Attrition rate		
Upto 30 Years	25.00%	18.00%
31-44 Years	12.00%	12.00%
Above 44 Years	6.00%	6.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/rates available on applicable bonds on the current valuation date.

The salary growth indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotion, past experience and other relevant factors such as demand and supply in employment market etc.

Attrition rate indicated above represents the Company's best estimates of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience etc.

Assumption regarding mortality are based on published statistics and mortality tables by Insurance Regulatory and Development Authority of India.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(viii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined benefit obligations and current service cost by the amounts shown below:

The sensitivity analysis of significant actuarial assumptions as at the end of the period is shown below.

	As at 31-03-2026	As at 31-03-2025
A. Defined benefit obligation without effect of projected salary growth	1,142	1,065
Changes in defined benefit obligation due to:		
B. Salary escalation rate		
Salary rate +100 basis points	63	62
Salary rate -100 basis points	(61)	(59)
C. Discount rate		
Discount rate +100 basis points	(73)	(69)
Discount rate -100 basis points	83	79
D. Attrition rate		
Attrition rate +100 basis points	(1)	(2)
Attrition rate -100 basis points	1	3

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

There are no changes in the methods and assumptions used in preparing the sensitivity analysis from the previous year. "

(ix) Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the current year and is expected by the Management to be ₹355 (31-03-2025: ₹433).

(x) Maturity profile of defined benefit obligation (valued on undiscounted basis):

	As at 31-03-2026	As at 31-03-2025
Within 1 year	167	161
2 to 5 years	509	442
6 to 10 years	484	459
More than 10 years	872	793

(xi) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (Previous year: 7 years).

(b) Compensated absences:

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the statement of profit and loss. The actual liability towards leave obligations as at 31-03-2026 is ₹610 (31-03-2025: ₹557). Expense recognised in the standalone statement of profit and loss under employee benefit expense is ₹157 (31-03-2025: ₹157).

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(c) Provision for defined benefit retirement plan

(i) Reconciliation of the present value of defined benefit retirement plan

	As at 31-03-2026	As at 31-03-2025
Opening balance	21	28
Current service cost	2	13
Interest cost	1	2
Benefits paid	-	-
Remeasurement or Actuarial gain/ (loss) arising from:		
Experience adjustment	2	(11)
Change in demographic assumptions	-	(12)
Change in financial assumptions	-	1
Closing balance	**26**	**21**

(ii) Expense recognised in the statement of profit and loss under employee benefits expense:

	As at 31-03-2026	As at 31-03-2025
Current service cost	2	13
Interest cost	1	2
Net cost	**3**	**15**

(iii) Remeasurements recognised in the statement of other comprehensive income

	As at 31-03-2026	As at 31-03-2025
Experience adjustment on funded obligation	2	(22)
Net costs in other comprehensive income	**2**	**(22)**

(iv) Summary of actuarial assumptions:

	As at 31-03-2026	As at 31-03-2025
Discount rate	7.00%	6.80%
Attrition rate		
Upto 30 Years	25.00%	18.00%
31-44 Years	12.00%	12.00%
Above 44 Years	6.00%	6.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/rates available on applicable bonds on the current valuation date.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Attrition rate indicated above represents the Company's best estimates of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience etc.

Assumption regarding mortality are based on published statistics and mortality tables by Insurance Regulatory and Development Authority of India.

(v) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined retirement benefit obligations and current service cost by the amounts shown below:

The sensitivity analysis of significant actuarial assumptions as at the end of the period is shown below.

	As at 31-03-2026	As at 31-03-2025
A. Defined benefit obligation without effect of projected salary growth	26	21
Changes in defined benefit obligation due to:		
B. Discount rate		
Discount rate +100 basis points	(1)	(1)
Discount rate -100 basis points	(1)	1
C. Attrition rate		
Attrition rate +100 basis points	(4)	(2)
Attrition rate -100 basis points	2	2

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

There are no changes in the methods and assumptions used in preparing the senitivity anslysis from the previous year.

(vi) Maturity profile of defined benefit obligation (valued on undiscounted basis):

	As at 31-03-2026	As at 31-03-2025
Within 1 year	1	0
2 to 5 years	12	9
6 to 10 years	14	16
More than 10 years	9	9

(vii) The weighted average duration of the defined retirement benefit plan obligation at the end of the reporting period is 6 years (Previous year: 7 years).

(d) Impact of Labour Code implementation

On 21 November 2025, the Government of India notified the four Labour Codes - the Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020, the Occupational Safety, Health and Working Conditions Code 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employement published draft Central Rules and FAQs to enable assessment of the financial impact due to change in regulations. The Company has assessed the impact of these changes and believes there is no significant impact on the financial statements for the year ended 31 March 2026 based on the information to the extent available in accordance with the guidance provided by the Institute of Chartered Accountants of India.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(e) Provision for refund liability

	As at 31-03-2026	As at 31-03-2025
Opening balance	168	362
Created during the year	2,595	168
Utilised during the year	(168)	(362)
Closing balance	**2,595**	**168**

Provision for refund liability represents the estimated liability towards price protection and the expected sales returns based on the Company's internal assessment. The Company follows 'expected value' method under Ind AS 115- Revenue from contracts with customers to determine the provision for refund liability.

(f) Provision for litigations

	As at 31-03-2026	As at 31-03-2025
Opening balance	347	538
Created during the year (included in rates and taxes, refer note 29)	550	50
Utilised during the year	(267)	(241)
Closing balance	**630**	**347**

Provision for litigations represents provision towards potential liability against various ongoing litigations based on the Company's internal assessment.

21. Other liabilities

	As at 31-03-2026	As at 31-03-2025
Current		
Statutory liabilities	206	137
Contract liabilities against payment	880	828
Others	43	20
	1,129	**985**

22. Trade payables

	As at 31-03-2026	As at 31-03-2025
Current		
Total outstanding dues of micro enterprises and small enterprises ('MSME') [Refer note below]	278	176
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,375	2,075
	3,653	**2,251**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Ageing of trade payables as at 31-03-2026

Outstanding for following periods from due date of payment	MSME	Others	Disputed dues -MSME	Disputed dues - Others
Unbilled	-	712	-	-
Not due	202	1,531	-	-
Less than 1 year	76	942	-	-
1-2 years	-	52	-	-
2-3 years	-	32	-	-
More than 3 years	-	106	-	-
Total	**278**	**3,375**	**-**	**-**

Ageing of trade payables as at 31-03-2025

Outstanding for following periods from due date of payment	MSME	Others	Disputed dues -MSME	Disputed dues - Others
Unbilled	-	616	-	-
Not due	6	744	-	-
Less than 1 year	170	576	-	-
1-2 years	-	32	-	-
2-3 years	-	23	-	-
More than 3 years	-	84	-	-
Total	**176**	**2,075**	**-**	**-**

Note:

On the basis of the information and records available with the Management, the outstanding dues to the Micro enterprises and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are set out in following disclosure:

Particulars	As at 31-03-2026	As at 31-03-2025
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
Principal amount due to micro enterprises and small enterprises (Includes ₹216 (31-03-2025 : ₹80) shown under capital creditors)	494	256
Interest due on above	-	-
(ii) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Information about the Company's exposure to foreign currency and liquidity risks is included in Note 33.

23. Revenue from operations

	For the year ended 31-03-2026	For the year ended 31-03-2025
Revenue from contracts with customers:		
Sale of products*	35,443	40,485
Sale of services	103	270
Job work income	14	11
Total (a)	**35,560**	**40,766**
Other operating revenues		
Export incentives	140	85
Government incentive schemes	165	64
Scrap sales	33	30
Miscellaneous income	48	-
Total (b)	**386**	**179**
Total revenue from operations (a+b)	**35,946**	**40,945**
*includes profit sharing income arising from marketing arrangements for sale of products.		
Disaggregation of revenue from contracts with customers		
Revenue based on Geography (customer location):		
India	6,525	5,490
USA	21,805	30,600
Rest of the world	7,230	4,676
	35,560	**40,766**
Revenue based on segment/product lines		
Pharmaceuticals	34,178	40,160
Agro chemicals	1,382	606
	35,560	**40,766**
Timing of revenue recognition		
Goods transferred at a point in time	35,443	40,485
Services transferred at a point in time	9	99
Services transferred over time	108	182
	35,560	**40,766**
Reconciliation of revenue from contracts with customers with contract price:		
Revenue as per contracted price	39,096	42,171
Adjusted for:		
Sales returns	(784)	(1,152)
Trade discounts, price adjustments and rebates	(2,752)	(253)
Total Revenue from contracts with customers	**35,560**	**40,766**
Contract balances		
The following table provides information about trade receivables and contract liabilities from contract with customers:		
Trade receivables (including unbilled revenue amounting to ₹1,507 (31-03-2025: ₹8,338) (Refer note 13)	7,596	11,782
Contract liabilities (Refer note 21)	880	828
Refund liability (Refer note 20)	2,595	168

Contract liabilities resulting from advance payments by customers for delivery of goods and services are predominantly recognised as sales within one year. The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as on 31-03-2026 is ₹880 (31-03-2025: ₹828) resulting from advance payments and shown under other current liabilities.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

24. Other income

	For the year ended 31-03-2026	For the year ended 31-03-2025
Dividend income on Equity instruments at FVOCI- investment held at reporting date	6	21
Gain on Sale of investments	24	14
Renewable Energy (Wind Power) income	35	24
Interest income on financial assets carried at amortised cost	2,139	1,701
Net gain on sale of property, plant and equipment	-	870
Foreign exchange gain (net)	446	179
Insurance claim received	1	163
Miscellaneous income	160	241
	2,811	**3,213**

25. Cost of materials consumed

	For the year ended 31-03-2026	For the year ended 31-03-2025
Raw materials consumed	5,186	4,879
Packing materials consumed	749	483
	5,935	**5,362**

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended 31-03-2026	For the year ended 31-03-2025
Opening stock:		
- Finished goods	1,149	1,556
- Work-in-progress	1,253	1,023
- Stock-in-trade	200	139
	2,602	**2,718**
Closing stock:		
- Finished goods	1,702	1,149
- Work-in-progress	1,431	1,253
- Stock-in-trade	161	200
	3,294	**2,602**
	(692)	**116**

27. Employee benefits expense

	For the year ended 31-03-2026	For the year ended 31-03-2025
Salaries, wages and bonus	5,322	4,605
Contribution to provident fund and other funds (Refer note (a) below)	345	318
Gratuity expense (Refer note 20 (a))	122	111
Staff welfare expenses	128	119
	5,917	**5,153**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Note

(a) Defined contribution plan:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance schemes which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contribution to provident fund and employee state insurance schemes charged to the statement of profit and loss is ₹345 (31-03-2025: ₹318).

(b) Refer note 20 for details of provision for employee benefits.

28. Finance costs

	For the year ended 31-03-2026	For the year ended 31-03-2025
Interest expense on working capital loans measured at amortised cost	127	105
Interest on term loan	117	-
Interest on Income tax	-	56
Other borrowing costs	75	32
Interest expenses on lease liabilities	4	3
	323	**196**

29. Other expenses

	For the year ended 31-03-2026	For the year ended 31-03-2025
Consumption of stores and spares	1,028	627
Power and fuel	969	931
Rental charges (Refer note 41)	1	3
Repairs and maintenance		
- Buildings	103	66
- Plant and equipments	341	310
Insurance	322	327
Rates and taxes	1,240	408
Factory maintenance expenses	470	438
Clinical and analytical charges	765	663
Carriage and freight outward	361	211
Donations*	32	510
Corporate social responsibility (CSR) expenses (Refer note 35)	301	159
Communication expenses	25	17
Office maintenance	92	73
Travelling and conveyance	414	390
Legal and professional fees	873	1,232
Payment to auditors		
- Audit fee including limited reviews	12	10
- Certifications	3	3
- Reimbursement of expenses	1	1
Director's sitting fee	6	4
Provision or (reversal) of credit loss allowance on trade receivables and other financial assets, net	78	(22)

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended 31-03-2026	For the year ended 31-03-2025
Bad debts written off	6	11
Capital work-in-progress written off	-	30
Royalty expense	52	27
Sales promotion expenses	879	845
Research and development expenses	1,996	963
Net loss on sale of property, plant and equipment	251	-
Miscellaneous expenses	622	179
	11,243	**8,416**

*Donations includes contributions made to political parties during the year amounting to ₹4 (31-03-2025: ₹363) which is within the limits specified by Section 182(1) of Companies Act, 2013. Below are the political party-wise details of such contributions made:

	For the year ended 31-03-2026	For the year ended 31-03-2025
Bharatiya Janata Party	-	165
Janasena Party	-	15
Telugu Desam Party	-	70
Yuvajana Sramika Rythu Congress Party	-	100
Communist Party of India (Marxist)	1	10
Communist Party of India	-	2
CPI Telangana State Council	1	-
CPI AP State Council	1	-
Samruddha Odisha	1	1
	4	**363**

30. Income-tax

(A) Components of Income-tax expenses

	For the year ended 31-03-2026	For the year ended 31-03-2025
(i) Tax expense recognised in profit and loss		
Current tax:		
Current year tax	2,859	3,996
Income-tax for earlier years	(175)	79
	2,684	**4,075**
Deferred tax charge/(credit) (net):		
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit recognition (Refer note (E))	(1,858)	(319)
	(1,858)	**(319)**
Tax expense for the year	**826**	**3,756**
(ii) Tax recognised in other comprehensive income		
Current tax:		
Tax on disposal of Investment held through FVOCI	30	-
Deferred tax charge/(credit) (net):		
- Tax effect of Remeasurement of defined benefit liability/(asset)	7	27
- Tax effect of Fair value change on Equity instruments through OCI	20	(6)
	27	**21**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(B) Reconciliation of effective tax rate

The major components of income-tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.944% (31-03-2025: 34.944%) and the reported tax expense in the statement of profit or loss are as follows:

	For the year ended 31-03-2026	For the year ended 31-03-2025
Profit before tax	**13,641**	**22,260**
Enacted tax rate applicable to the Company in India*	34.944%	34.944%
Tax using the Company's domestic tax rate	**4,767**	**7,779**
Tax effect of:		
Expense not deductible for tax purposes	112	92
Additional deduction allowed under Income-tax Act	(2,251)	(3,646)
Impact of difference in tax rate and change in tax rate	(366)	-
MAT credit utilisation for the year	729	(32)
Recognition of MAT credit	(1,380)	(844)
Tax pertaining to earlier years	(175)	79
Others	(610)	328
Income-tax expense	**826**	**3,756**

*The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 effective from financial year 2026-27, to be subject to tax at a rate of 22% plus applicable surcharge and cess. Accordingly, the Company has re-measured its deferred tax assets on minimum alternate tax credit and other deferred tax assets and liabilities based on the tax rate prescribed in the said Section in accordance with Ind AS 12 - Income Taxes. The impact of such measurement, amounting to INR 1,150 million, has been recognised as a deferred tax asset in the statement of profit and loss during the year ended 31-03-2026.

(C) Deferred tax assets and liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

	For the year ended 31-03-2026	For the year ended 31-03-2025
Deferred tax assets/(liabilities):		
Minimum Alternate Tax*	2,797	2,146
Trade receivables and other advances	940	342
Property, plant and equipment (including Right of use assets)	(1,850)	(2,460)
Provision for employee benefits	254	298
Investments	92	79
Lease liabilities	8	5
	2,241	**410**

* As per Indian tax laws, companies are liable for a Minimum Alternate Tax ("MAT" tax) when current tax, as computed under the provisions of the Income-tax Act, 1961 ("Tax Act"), is determined to be below the MAT tax computed under section 115JB of the Tax Act. The excess of MAT tax over current tax is eligible to be carried forward and set-off in the future against the current tax liabilities over a period of 15 years.

The Company offsets tax assets and liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income-tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(D) Movement in deferred tax assets and liabilities

The details of movement in deferred tax assets and liabilities for the year ended 31-03-2026:

	As at 01-04-2025	Recognised in profit and loss	Recognised in OCI	As at 31-03-2026
Deferred tax assets/(liabilities):				
Minimum Alternate Tax	2,146	651	-	2,797
Trade receivables and other advances	342	598	-	940
Property, plant and equipment (including Right of use assets)	(2,460)	610	-	(1,850)
Lease liabilities	5	3	-	8
Provision for employee benefits	298	(37)	(7)	254
Investments	79	33	(20)	92
Net deferred tax assets/(liabilities)	**410**	**1,858**	**(27)**	**2,241**

The details of movement in deferred tax assets and liabilities for the year ended 31-03-2025:

	As at 01-04-2024	Recognised in profit and loss	Recognised in OCI	As at 31-03-2025
Deferred tax assets/(liabilities):				
Minimum Alternate Tax	1,302	844	-	2,146
Trade receivables and other advances	446	(104)	-	342
Property, plant and equipment (including Right of use assets)	(2,087)	(373)	-	(2,460)
Lease liabilities	9	(4)	-	5
Provision for employee benefits	347	(76)	27	298
Investments	54	31	(6)	79
Net deferred tax assets/(liabilities)	**71**	**319**	**21**	**410**

(E) Unrecognised deferred tax assets

	As at 31-03-2026	As at 31-03-2025
Unrecognised MAT credit entitlement	1,330	2,564
	1,330	**2,564**

Certain income tax positions relating to R&D expenditure, exempt income, transfer pricing and other adjustments involving areas of judgement and varying interpretations under the tax law. Based on the information currently available and management's assessment of future taxable profits, the Company has recognised a valuation allowance in respect of MAT credit / deferred tax assets to the extend of ₹1,330 as of 31 March 2026. These positions will continue to be monitored and reassessed as facts and circumstances evolve.

In the previous year, the Company did not recognise deferred tax assets of ₹2,564 primarily on MAT credit entitlement, because it was not probable that future taxable profit will be available against which the Company can use the benefits therefrom after taking into consideration the tax holiday units/benefits available including financial projections, business plans and the availability of sufficient taxable income and certain income tax positions relating to allowability of expenses involving areas of judgement and varying interpretations under the income tax law.

The above MAT credit expires at various dates ranging from Assessment year 2029 through 2039.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(F) The Company has established the comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions and specified domestic transactions entered into with associated enterprises during the financial year and expects such records to be in existence latest by 31 October 2026 as required by law. The management confirms its international transaction are at arms' length price so that aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

31. Earnings per share (EPS)

	For the year ended 31-03-2026	For the year ended 31-03-2025
Earnings:		
Profit for the year attributable to equity shareholders (a)	12,815	18,504
Shares:		
Number of equity shares at the beginning of the year	179,109,870	179,109,870
Weighted average number of equity shares – Basic (b)	**179,109,870**	**179,109,870**
Dilutive effect of potential equity shares	-	-
Weighted average number of equity shares – Diluted (c)	**179,109,870**	**179,109,870**
Earnings per equity share (Face Value of ₹2/- each):		
Basic (in ₹) (a/b)	71.55	103.31
Diluted (in ₹) (a/c)	71.55	103.31

32. Financial instruments - fair values

A. Accounting classification and fair values

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

As at 31-03-2026:

Particulars	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
A. Financials assets					
Financial assets measured at FVTOCI					
Non-current investments	8	983	-	-	983
Current investments	8	283	283	-	-
Financial assets measured at amortised cost					
Current investments	8	5,452	-	-	-
Loans	9	109	-	-	-
Trade receivables	13	7,596	-	-	-
Cash and cash equivalents	14	115	-	-	-
Bank balances other than cash and cash equivalents	14	11,758	-	-	-
Other financial assets	10	7,953	-	-	-
		34,249	**283**	**-**	**983**
B. Financials liabilities					
Financial liabilities measured at amortised cost					
Borrowings	17	7,064	-	-	-
Capital creditors	19	719	-	-	-
Trade payables	22	3,653	-	-	-
Other financial liabilities	19	635	-	-	-
		12,071	**-**	**-**	**-**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

As at 31-03-2025:

Particulars	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
A. Financials assets					
Financial assets measured at FVTOCI					
Non-current investments	8	747	-	-	747
Current investments	8	343	343	-	-
Financial assets measured at amortised cost					
Current investments	8	2,557	-	-	-
Loans	9	99	-	-	-
Trade receivables	13	11,782	-	-	-
Cash and cash equivalents	14	112	-	-	-
Bank balances other than cash and cash equivalents	14	18,457	-	-	-
Other financial assets	10	5,945	-	-	-
		40,042	**343**	**-**	**747**
B. Financials liabilities					
Financial liabilities measured at amortised cost					
Borrowings	17	2,731	-	-	-
Capital creditors	19	571	-	-	-
Trade payables	22	2,251	-	-	-
Other financial liabilities	19	594	-	-	-
		6,147	**-**	**-**	**-**

The Company's financial liabilities comprise of borrowings from banks, trade payables, capital creditors and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables, other financial assets, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds certain investments in entities other than in subsidiaries.

The fair value of cash and cash equivalents, other bank balances, trade receivables, loans, investment in quoted and unquoted debentures and bonds, borrowings, trade payables, other financial assets and other financial liabilities approximate their carrying amount largely due to the nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

B. Measurement of fair values

Valuation technique and significant unobservable inputs

Level 1: The fair value of the quoted equity investments are based on market price at the reporting date.

Level 3: The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by valuers with the exception of certain investments, where the impact of fair valuation of investment is considered as insignificant and hence carrying value and fair value is considered as same. The valuers have considered market comparable approach to determine the fair value of the respective investments. The relationship of significant unobservable value and fair value is as follows: the estimated fair value will increase/(decrease) if the expected market multiple increases/(decreases);

Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2025-26 and no transfers in either direction in 2024-25.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Change in Level 3 fair values

Particulars	Unquoted FVTOCI Equity investments	
	31-03-2026	31-03-2025
Opening balance	747	959
Additions/(Deletions) during the year	31	(26)
Net change in fair value (recognised in FVTOCI) (unrealised)	204	(186)
Closing balance	**983**	**747**

33. Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and deployment of risk management framework. The Board of Directors have adopted a Risk Policy, which empowers the management to access and monitor the risk management parameters along with action taken and the same is updated to Board of Directors.

The Company's risk management policies are established to identify and analyse the risks being faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee.

A. Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, loans, trade receivables and trade payables.

i. 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 changes in market interest rates. The Company's entire borrowings carried at amortised cost are variable rate instruments and are subject to fluctuation because of a change in market interest rates. The Company considers the impact of fair value interest rate risk on variable rate borrowings as not material.

The Company's variable rate borrowing is subject to interest rate risk. Below are the details of exposure to fixed rate and variable rate instruments:

Particulars	As at 31-03-2026	As at 31-03-2025
Fixed rate instruments		
Financial assets	24,235	25,734
Variable rate instruments		
Financial liabilities (other than lease liability)	7,064	2,731

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Sensitivity-Interest rate risk

Particulars	Impact on profit and loss	
	31-03-2026	31-03-2025
1% increase in interest rate	(71)	(27)
1% decrease in interest rate	71	27

The interest rate sensitivity is based on the closing balance of loans from banks.

ii. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of the Company. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The Company exposure to foreign currency financial assets and financial liabilities expressed in ₹are as follows:

Financial assets

	31-03-2026			31-03-2025		
	Trade receivables*	Loans	Other financial assets	Trade receivables*	Loans	Other financial assets
- USD	4,231	11	0	10,498	5	0
- EUR	38	-	-	52	-	-
- AUD	43	-	-	52	-	-
- CAD	119	-	-	22	-	-
- SGD	17	-	-	48	-	-

Financial liabilities

	31-03-2026			31-03-2025		
	Trade payables	Other financial liabilities	Borrowings*	Trade payables	Other financial liabilities	Borrowings*
- USD	318	97	1,694	32	60	1,547
- EUR	0	4	32	34	8	32
- GBP	-	8	-	-	-	-
- SGD	-	-	-	-	23	-
- CHF	-	-	-	-	0	-

*Includes bills discounted which are forming part of trade receivables and borrowings amounting to ₹1,726 (31-03-2025: ₹1,579). These are realised amounts and hence, there is no further foreign currency risk involved.

Foreign currency sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The following table demonstrates the sensitivity to a reasonably possible change in various foreign currencies. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Impact on profit and loss for the year ended		Impact on equity, net of tax	
	31-03-2026	31-03-2025	31-03-2026	31-03-2025
Sensitivity				
₹/USD - Appreciate by 10%	213	886	139	577
₹/EUR - Appreciate by 10%	0	(2)	0	(1)
₹/GBP - Appreciate by 10%	(1)	-	(1)	-
₹/CAD - Appreciate by 10%	12	2	8	1
₹/AUD - Appreciate by 10%	4	5	3	3
₹/SGD - Appreciate by 10%	2	2	1	1
₹/CHF - Appreciate by 10%	-	(0)	-	(0)
₹/USD - Depreciate by 10%	(213)	(886)	(139)	(577)
₹/EUR - Depreciate by 10%	(0)	2	(0)	1
₹/GBP - Depreciate by 10%	1	-	1	-
₹/CAD - Depreciate by 10%	(12)	(2)	(8)	(1)
₹/AUD - Depreciate by 10%	(4)	(5)	(3)	(3)
₹/SGD - Depreciate by 10%	(2)	(2)	(1)	(1)
₹/CHF - Depreciate by 10%	-	0	-	0

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows.

	For the year ended 31-03-2026	For the year ended 31-03-2025
Impairment loss on trade receivables and other receivables	6	11

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The maximum exposure to credit risk for trade receivables (Gross) (other than credit impaired) by geographic region is as follows:

Particulars	As at 31-03-2026	As at 31-03-2025
India	1,835	1,306
USA	880	368
Rest of the world	3,571	1,967
	6,286	**3,641**

The above exposure does not include unbilled revenue.

The exposure to credit risk and ECLs for trade receivables as at 31-03-2026

	Weighted average loss rate	Gross Carrying amount	Loss allowance	Credit impaired
Unbilled	0%	1,507	-	-
Not due	0%	4,487	5	5
Less than 6 months	4%	1,634	66	66
6 months to 1 year	32%	31	10	10
1-2 years	83%	108	90	90
2-3 years	100%	21	21	21
More than 3 years	100%	5	5	5
Total		**7,793**	**197**	**197**

The exposure to credit risk and ECLs for trade receivables as at 31-03-2025

	Weighted average loss rate	Gross Carrying amount	Loss allowance	Credit impaired
Unbilled	0%	8,338	-	-
Not due	1%	2,914	39	39
Less than 6 months	9%	613	57	57
6 months to 1 year	45%	71	58	58
1-2 years	50%	38	38	38
2-3 years	50%	4	4	4
More than 3 years	50%	1	1	1
Total		**11,979**	**197**	**197**

Movement in allowance for credit losses

Particulars	As at 31-03-2026	As at 31-03-2025
Balance as at 01 April	197	197
Net remeasurement of loss allowance	6	11
Amount written off during the year	(6)	(11)
Balance at the end of the year	**197**	**197**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date wherever required.

The Company has one customer who contributed more than 10% of the Company's total revenue during the current year and previous year. The revenue from such major customer(s) during the year is ₹ 16,872 (31-03-2025: ₹26,862) and the outstanding amount as at 31-03-2026 amounts to ₹205 (31-03-2025: ₹7,308).

Other financial assets:

Other financial assets primarily consists of cash and cash equivalents and deposits. Credit risk on cash and cash equivalents and deposits with banks and financial institutions are generally low as the said deposits have been made with the banks and financial institutions who have been assigned high credit rating by international and domestic credit rating agencies. Investments in other than subsidiaries are strategic investments in the normal course of business of the Company. Loans to related parties are given for business purposes. The Company reassesses the recoverability of loans periodically. Interest recoveries from these loans are regular and there is no interest receipt defaults.

C. Liquidity risk

Liquidity risk is 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 Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entities operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company's principal sources of liquidity are the cash flows generated from operations.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

As at 31-03-2026	Carrying value	Up to 1 year	From 1 to 3 years	More than 3 years	Total
Financial liabilities					
Borrowings	7,064	6,064	1,000	-	7,064
Lease liabilities	29	18	4	378	400
Trade payables	3,653	3,653	-	-	3,653
Other financial liabilities	1,354	635	-	-	635
Total	**12,100**	**10,370**	**1,004**	**378**	**11,752**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

As at 31-03-2025	Carrying value	Up to 1 year	From 1 to 3 years	More than 3 years	Total
Financial liabilities					
Borrowings	2,731	2,731	-	-	2,731
Lease liabilities	15	3	5	379	387
Trade payables	2,251	2,251	-	-	2,251
Other financial liabilities	1,165	1,165	-	-	1,165
Total	**6,162**	**6,150**	**5**	**379**	**6,534**

34. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the total equity as shown in the Standalone Balance Sheet. Currently, the Company primarily monitors its capital structure on the basis of gearing ratio. Management is continuously evolving strategies to optimise the returns and reduce the risks. It includes plans to optimise the financial leverage of the Company.

The capital gearing ratio is summarised as follows:

Particulars	As at 31-03-2026	As at 31-03-2025
Total borrowings	7,064	2,731
Less: Cash and cash equivalents	(115)	(112)
Net debt [A]	**6,949**	**2,619**
Total equity [B]	85,526	73,339
Total capital [C=A+B]	**92,475**	**75,958**
Gearing ratio (%) [A/C]	8%	3%

35. Corporate social responsibility (CSR) expenses

	For the year ended 31-03-2026	For the year ended 31-03-2025
(a) Amount required to be spent by the Company during the year	293	159
(b) Amount spent during the year:		
(i) Construction or acquistion of any asset	-	-
(ii) On purpose other than (i) above	270	151
(c) Shortfall at the end of the year	23	8
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Refer note 1	Refer note 1
(f) Nature of CSR activities:		
Education and infrastructure support, Health, nutrition, water, sanitation and hygiene, Animal Welfare, Support to sports, Rural development, Women empowerment, Arts & Culture	270	151
(g) Details of related party transactions		
(i) NATCO Trust	246	112
(h) Provision made with respect to a liability through contractual obligation	23	8
(i) Details of unspent obligations	23	8
(j) Amount approved by Board of Directors	293	159

Note 1: The unspent obligation as at 31 March 2026 was transferred to CSR account within 30 days of end of the financial year.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

36.Related party disclosures, as per Ind AS 24

(a) Names of the related parties and nature of relationship (to the extent transactions have taken place during the year)

Nature of relationship	Names of the related parties
1. Subsidiary companies	NATCO Pharma Inc., United States of America
	Time Cap Overseas Limited, Mauritius
	NATCO Pharma (Canada) Inc., Canada
	NATCO Pharma Asia Pte. Ltd., Singapore
	NATCO Pharma Australia PTY Ltd., Australia
	NATCO Lifesciences Philippines Inc., Philippines
	NATCO Pharma UK Ltd, United Kingdom
	PT.NATCO Lotus Farma, Indonesia
	NATCO Pharma Colombia S.A.S.
	NATCO Pharma South Africa Proprietary Limited (incorporated on 31-07-2025)
	NATCO Crop Health Sciences Limited (incorporated on 26-12-2025)
2. Step-down subsidiary company	NatcoFarma do Brasil Ltda., Brazil
	NATCO Pharma USA LLC, USA
3. Associate Company	Adcock Ingram Holdings Limited (w.e.f 11.11.2025)
4. Entities in which Directors have control or have significant influence	Time Cap Pharma Labs Private Limited
	NATCO Trust
5. Key management personnel ("KMP")	
Chairman & Managing Director	Mr. V C Nannapaneni (w.e.f. 01-04-2024)
Director and Chief Executive Officer ("CEO") and Vice Chairman (w.e.f. 01-04-2024)	Mr. Rajeev Nannapaneni
Wholetime Director	Mr. Potluri Prasad Sivaramakrishna
Wholetime Director	Mr. Lingarao Donthineni
Wholetime Director	Dr. Pavan Bhat (upto 12-02-2025)
Chief Financial Officer	Mr. S.V.V.N. Appa Rao (upto 12-02-2026)
Chief Financial Officer	Mr. Amit Parekh (w.e.f 13-02-2026)
Company Secretary	Mr. Venkat Ramesh Chekuri
6. Non-Executive Directors and Independent Directors	
Independent Director	Mr. Umamaheshwarrao Naidu Madireddi (upto 30-07-2024)
Independent Director	Mr. Venkateswara Rao Thallapaka (upto 24-08-2024)
Independent Director	Mrs. Leela Digumarti (upto 21-09-2024)
Independent Director	Mr. Agnihotra Dakshina Murty Chavali (w.e.f. 01-04-2024)
Independent Director	Mr. Vijaya Bhaskar Dronadula (w.e.f. 01-04-2024)
Independent Director	Mr. Nitin jain (w.e.f. 12-08-2024)
Independent Director	Mrs. Suma Kantipudi (w.e.f. 12-08-2024)
Independent Director	Mr. Lakshminarayana Bolisetty (w.e.f. 12-08-2024)

For list of promoter shareholders, refer note 15(vi).

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(b) Related party transactions during the year (excluding goods and service tax)

	For the year ended	
	31-03-2026	31-03-2025
NATCO Pharma (Canada) Inc., Canada		
Sale of products	579	560
NATCO Pharma Asia Pte Ltd., Singapore		
Sale of products	75	128
Natcofarma Do Brasil Ltda., Brazil		
Sale of products	1,517	453
NATCO Pharma Inc., United States of America		
Investment in equity shares	128	-
NATCO Pharma USA LLC, United States of America		
Sale of products	52	98
NATCO Lifesciences Philippines Inc., Philippines		
Investment in equity shares	5	5
Sale of products	36	52
Loan given	11	-
Interest income on loan	0	0
PT.NATCO Lotus Farma, Indonesia		
Investment in equity shares	-	76
Sale of products	14	28
NATCO Pharma Colombia S.A.S, Colombia		
Investment in equity shares	5	4
NATCO Pharma South Africa Proprietary Limited		
Investment in equity shares	19,968	-
NATCO Crop Health Sciences Limited		
Investment in equity shares	90	-
Rental Income	0	-
Adcock Ingram Holdings Ltd,South Africa		
Purchase of Material	3	-
Dividend Income	3	-
Time Cap Pharma Labs Private Limited		
Rental expense	8	7
NATCO Trust		
Rental income	0	0
Contribution towards corporate social responsibility activities	246	112
Mr. V C Nannapaneni		
Managerial remuneration*	23	23
Leave encashment paid	1	1
Compensated absences expense	-	1
Rental expense	4	3
Commission	50	75
Mr. Rajeev Nannapaneni		
Managerial remuneration*	21	21
Leave encashment paid	1	1
Gratuity expense	-	0
Compensated absences expense	-	1
Rental expense	4	3
Commission	50	75
Mr. Potluri Prasad Sivaramakrishna		

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
	31-03-2026	31-03-2025
Managerial remuneration*	20	20
Leave encashment paid	1	1
Gratuity expense	-	0
Compensated absences expense	-	1
Mr. Lingarao Donthineni		
Managerial remuneration*	20	39
Leave encashment paid	1	1
Gratuity expense	-	0
Compensated absences expense	-	1
Dr. Pavan Bhat Ganapati		
Managerial remuneration*	-	37
Leave encashment paid	-	4
Gratuity expense	-	0
Compensated absences expense	-	0
Mr. S.V.V.N. Appa Rao		
Remuneration*	45	14
Leave encashment paid	2	0
Gratuity expense	0	0
Compensated absences expense	-	0
Mr. Amit Parekh		
Remuneration*	6	-
Compensated absences expense	0	-
Mr. Venkat Ramesh Chekuri		
Remuneration*	3	3
Gratuity expense	0	0
Compensated absences expense	0	0
Sitting fees:		
Mrs. Leela Digumarti	-	0
Mr. Umamaheshwarrao Naidu Madireddi	-	0
Mr. Venkateswara Rao Thallapaka	-	0
Mr. Nitin Jain	1	0
Mrs. Kantipudi Suma	1	0
Mr. D Vijaya Bhaskar	2	1
Mr. A D M Chavali	1	1
Mr. B Lakshminarayana	1	0

(c) Related Party closing balances as on balance sheet date receivable (payable):

	For the year ended	
	31-03-2026	31-03-2025
Loan receivable		
NATCO Lifesciences Philippines Inc., Philippines	11	5
Interest accrued but not due on loans		
NATCO Lifesciences Philippines Inc., Philippines	0	0
Trade receivables		
NATCO Pharma (Canada) Inc., Canada	119	22
NatcoFarma do Brasil Ltda., Brazil	1,001	143

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
	31-03-2026	31-03-2025
NATCO Pharma Asia PTE Ltd., Singapore	17	48
NATCO Lifesciences Philippines Inc., Philippines	32	33
NATCO Pharma USA LLC., United States of America	18	44
PT.NATCO Lotus Farma, Indonesia	15	23
Trade payable		
Adcock Ingram Holdings Ltd,South Africa	(3)	-
Rent Payable		
Mr. V.C. Nannapaneni	(0)	(0)
Mr. Rajeev Nannapaneni	(0)	(0)
Time Cap Pharma Labs Private Limited	(1)	(1)
Rent Receivable		
NATCO Crop Health Sciences Limited	0	-
Remuneration payable		
Mr. V.C. Nannapaneni	(0)	(0)
Mr. Rajeev Nannapaneni	(0)	(0)
Mr. Lingarao Donthineni	(1)	(1)
Mr. Potluri Prasad Sivaramakrishna	(1)	(1)
Dr. Pavan Bhat Ganapati	-	(2)
Mr. S.V.N.N. Appa Rao	(20)	(0)
Mr. Amit Parekh	(1)	-
Mr.Venkat Ramesh Chekuri	(0)	(0)
Commission payable		
Mr. V.C. Nannapaneni	(50)	(75)
Mr. Rajeev Nannapaneni	(50)	(75)

*The aforesaid amount does not include amounts in respect of payment of insurance costs as the payments are made for the Company as a whole.

(d) The Company during the year have declared a total interim dividend of INR 5 per share for INR 2 per share which is paid to the related parties in accordance with their shareholding as of the record date. For Promoter shareholder list, refer note 15(vi). Further, the Company has not brought back any shares from the related parties during the current or previous year.

37. Segment reporting

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of paragraph 3 of Ind AS 108 'Operating Segments' no disclosures related to segment are presented in these standalone financial statements.

38. Contingent liabilities and commitments

(a) Commitments

	As at	
	31-03-2026	31-03-2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (including comitment towards purchase of property, plant and equipment, net of advances amounting to ₹418 (31-03-2025: ₹200)	997	379
Pending export obligation under Export promotion capital goods Scheme	53	15
Other commitment (refer Note - 1 below)	11	83

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Note 1:

The Company has an outstanding commitment of investment for an amount of ₹11 in Meenakshi Real Estate Fund as at 31-03-206 (31-03-2025: ₹83 in Cellogen Therapeutics Pvt Ltd) .

(b) Contingent liabilities

(i) Matters under appeals with tax authorities:

	31-03-2026	31-03-2025
Disputed Income tax liabilities	24	24
Disputed indirect tax liabilities	6	6

The Company is contesting the above demand including few land related claims and the management believes that its position will likely be upheld in the appellate process and no expenses has been accrued in the standalone financial statements for the demand raised/ show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the Company's standalone financial statements. Pending resolution of the aforesaid respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above.

(ii) The Company is contesting certain process and product patent infringement cases filed against it by the innovators in the ordinary course of business. A few of these cases pertain to products already launched by the Company in the market. These cases are pending before different authorities / courts and most of the claims involve complex issues. The outcome from these claims are uncertain due to a number of factors involved in legal trial such as stage of the proceedings and the overall length and extent of pre-trial discovery; the entitlement of the parties to an action to appeal a decision; clarity as to theories of liability; damages and governing law; uncertainties in timing of litigation; and the possible need for further legal proceedings to establish the appropriate amount of damages, if any. Often, these issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss is difficult to ascertain. Consequently, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the proceedings. Further, at present, the management does not expect such liabilities to be significant.

(iii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

39. The Company does not have any long-term contracts including derivatives for which there are any material foreseeable losses.

40. Capital work-in-progress

a) Movement in Capital work-in-progress

	As at	
	31-03-2026	31-03-2025
Opening balance	**2,253**	**1,339**
Capital expenditure incurred	2,840	2,784
Capitalised during the year	(2,159)	(1,870)
Closing balance	**2,934**	**2,253**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

b) Capital work-in-progress (CWIP) ageing schedule

As at 31-03-2026

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	2,011	840	72	11	2,934

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	2,040	190	10	13	2,253

(*) Project execution plans are assessed on an annual basis and all the projects are executed as per rolling annual plan.

There are no project whose completion is overdue or has exceeded its cost compared to its original plan.

No projects have been temporarily suspended as at 31-03-2026 and 31-03-2025.

41. Leases

Movement in lease liabilities

	As at	
	31-03-2026	31-03-2025
Balance at the beginning	**15**	**29**
Additions	28	-
Deletions	-	-
Interest expenses	4	3
Repayment of principal and interest on lease liabilities	(18)	(17)
Balance at the end	**29**	**15**

Undiscounted contractual maturities of lease liabilities

	As at	
	31-03-2026	31-03-2025
Less than one year	18	3
One to five years	8	9
More than five years	374	375
	400	**387**

As at balance sheet date, the Company is not exposed to future cash flows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

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.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The Company has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Company has incurred following expenses relating to short-term leases for which the recognition exemption has been applied (Refer note 29).

Rental expense for short-term leases

	For the year ended	
	31-03-2026	31-03-2025
Expense relating to short-term leases (refer note 29)	1	3
	1	**3**

Amounts recognised in the standalone statement of profit and loss

	For the year ended	
	31-03-2026	31-03-2025
Depreciation on right of use asset	21	20
Interest expense	4	3
	25	**23**

Amounts recognised in the standalone statement of cash flows

	For the year ended	
	31-03-2026	31-03-2025
Payment of lease liabilities	(18)	(17)
Expense relating to short-term leases (Refer note 29)	(1)	(3)
	(19)	**(20)**

Details of Right of use of Assets

	Land	Buildings	Total
A. Cost or Deemed cost (Gross carrying amount)			
As at 01-04-2024	355	75	430
Additions	-	-	-
Disposals	-	(26)	(26)
Balance as at 31-03-2025	**355**	**49**	**404**
Additions	-	28	28
Disposals	-	-	-
Balance as at 31-03-2026	**355**	**77**	**432**
B. Accumulated depreciation			
As at 01-04-2024	28	16	44
Charge for the year	3	17	20
Disposals	-	(26)	(26)
Balance as at 31-03-2025	**31**	**7**	**38**
Charge for the year	19	2	21
Disposals	-	-	-
Balance as at 31-03-2026	**50**	**9**	**59**
C. Net carrying amounts (A-B)			
As at 31-03-2025	**324**	**42**	**366**
As at 31-03-2026	**305**	**68**	**373**

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

42. Ratios

S. No.	Particulars	NUMERATOR	Denominator	Unit	31-03-2026	31-03-2025	% Variance	Reasons for Variance*
a.	Current ratio	CURRENT ASSETS	Current liabilities	Number of times	2.76	5.42	-49.08%	Decrease in ratio is on account of decrease in bank deposits and current investments during the year.
b.	Debt equity ratio	CURRENT + NON-CURRENT BORROWINGS	Total equity	Number of times	0.08	0.04	100.00%	Increase in ratio is on account of increase in closing working capital loan and term loan and lower profits during the year.
c.	Debt service coverage ratio	NET PROFIT AFTER TAX + INTEREST + DEPRECIATION AND AMORTIZATION +/- LOSS OR GAIN ON SALE OF PROPERTY, PLANT & EQUIPMENT	Interest + Lease interest payments + Current lease liabilities + Current borrowings	Number of times	2.39	6.84	-65.06%	Decrease is on account of lower profits owing to lower revenues combined with higher interest expense during the year.
d.	Return on equity	NET PROFITS AFTER TAXES	Average shareholder's equity	%	16%	29%	-44.83%	Decrease is on account of lower profits owing to lower revenues during the year.
e.	Inventory turnover ratio	COST OF GOODS SOLD	Average inventory	Number of times	0.96	1.12	-14.29%	
f.	Trade receivables turnover ratio	NET SALES	Average trade receivables	Number of times	3.67	3.62	1.39%	
g.	Trade payables turnover ratio	PURCHASES	Average trade payable	Number of times	2.28	3.03	-24.75%	
h.	Net capital turnover ratio	NET SALES	Current assets - Current liabilities	Number of times	1.29	1.07	20.56%	
i.	Net profit ratio	NET PROFITS AFTER TAXES	Net sales	%	36%	45%	-20.00%	
j.	Return on capital employed	EARNING BEFORE INTEREST AND TAXES	Total equity - Intangible assets + Non current borrowing + Current borrowings + Deferred tax liabilities	%	15%	30%	-50.00%	Decrease is on account of lower profits owing to lower revenues during the year.

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

S. No.	Particulars	NUMERATOR	Denominator	Unit	31-03-2026	31-03-2025	% Variance	Reasons for Variance*
k.	Return on investment	INCOME GENERATED FROM INVESTED FUNDS	Average invested funds in treasury investments	%	0.09	7%	28.57%	Increase is on account of higher interest income during the year.

*Reasons for variances is given for ratios having percentage change more than 25%.

43. Other Statutory Information

(i) The Company has not entered into transactions with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956. Below are the details of shareholding for shares held by Struck off company as per Company's records for the year ended 31 March 2026:

Name of struck off Company	Nature of transactions with struck-off Company	Balances as at 31 March 2026	Relationship with the struckoff company
Nitin Commercials Private Limited	Shares held by struck off company	600 Shares	Shareholder
Dreams Broking Pvt Ltd	Shares held by struck off company	5 Shares	Shareholder
Suraj Enterprise Pvt Ltd	Shares held by struck off company	184 Shares	Shareholder
Puneet Securities Private Limited	Shares held by struck off company	100 Shares	Shareholder
Vaishak Shares Limited	Shares held by struck off company	5 Shares	Shareholder
Robert Resources Limited	Shares held by struck off company	600 Shares	Shareholder
Rishiroop Polymers Private Limited	Shares held by struck off company	1,400 Shares	Shareholder

(ii) 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

Date of investment	Amount of investment	Name of the intermediary	Name of Ultimate Beneficiary	Date of investment in Ultimate Beneficiary
20-05-2025	128	NATCO Pharma Inc.	NATCO Pharma USA LLC	21-05-2025
17-10-2025	0	NATCO South Africa Proprietary Limited	Adock Ingram Holdings Limited	07-11-2025
28-10-2025	19,968			

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013. Such transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

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

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

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

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(iv) The aggregate amount of revenue expenditure incurred by the Company during the year on Research and Development and shown in the respective heads of account is ₹3,894 (31-03-2025:₹3,235).

(v) The Company does not have any transaction which is not recorded in the books of account and has been surrendered or disclosed as income during the current year or previous year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

(vi) There are no proceeding initiated or pending against the Company as at 31-03-2026 and as at 31-03-2025 under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

(vii) The Company is not declared as a wilful defaulter by any bank or financial institution or other lenders.

(viii) Compliance with number of layers of companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

(ix) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(x) The Company has not traded or invested in Crypto currency or Virtual currency during the current year and previous year.

(xi) There are no loans or advances in the nature of loans that are granted to promoters, directors, KMP's and related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person, that are:

a) repayable on demand; or

b) without specifying any terms or period of repayment

44 Disclosure pertaining to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

(a) The Company has made investments in the following Companies:

	As at 01-04-2025	Allotment/ purchase during the year	Sold during the year	Provision for Dimunition	As at 31-03-2026
Investment in equity Instruments					
Natco Pharma Inc.	2,570	128	-	-	2,698
Time Cap Overseas Limited	1,706	-	-	-	1,706
NATCO Pharma (Canada) Inc.	232	-	-	-	232
NATCO Pharma Asia Pte. Ltd	102	-	-	-	102
NATCO Lifesciences Philippines Inc	68	5	-	-	73
NATCO Pharma UK Limited	126	-	-	-	126
PT.NATCO Lotus Farma, Indonesia	76	-	-	-	76
NATCO Pharma Colombia S.A.S	4	5	-	-	9
NATCO Pharma South Africa Proprietary Limited	-	20,799			20,799
NATCO Pharma Australia PTY Ltd.	210	-	-	(210)	-
NATCO Crop Health Sciences Limited	-	90	-	-	90

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 01-04-2024	Allotment/ purchase during the year	Sold during the year	Provision for Dimunition	As at 31-03-2025
Investment in equity Instruments					
Natco Pharma Inc.	2,570	-	-	-	2570
Time Cap Overseas Limited	1,706	-	-	-	1706
NATCO Pharma (Canada) Inc.	232	-	-	-	232
NATCO Pharma Asia Pte. Ltd	102	-	-	-	102
NATCO Pharma Australia PTY Ltd	-	-	-	-	-
NATCO Lifesciences Philippines Inc	63	5	-	-	68
NATCO Pharma UK Limited	126	-	-	-	126
PT.NATCO Lotus Farma, Indonesia	-	76			76
NATCO Pharma Australia PTY Ltd.	210	-	-	(210)	-
NATCO Pharma Colombia S.A.S	-	4	-	-	4

(b) The Company has given interest bearing loans to its subsidiary Companies:

	As at 01-04-2025	Given/(repaid)/ (adjusted) during the year**	Impact of foreign exchange translation	As at 31-03-2026*	Maximum balance outstanding during the year
NATCO Lifesciences Philippines Inc.	5	11	(0)	11	11

The Company has given interest bearing loans to its subsidiary Companies:

	As at 01-04-2024	Given/(repaid)/ (adjusted) during the year	Impact of foreign exchange translation	As at 31-03-2025*	Maximum balance outstanding during the year
NATCO Lifesciences Philippines Inc.	5	-	(0)	5	5

*Restated at the closing conversion rate as the loan was given in foreign currency.

**During the year, the oustanding loan to subsidiary of INR 5 million as at 31 March 2025 was converted into equity after obtaining all the regulatory approvals.

The loan to subsidiaries are given for general business purpose. The said loan carries an interest rate of 6.62% p.a. (31-03-2025: 5% p.a.).

Notes to Standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

45. The Board of Directors at its meeting held on 24-03-2026, approved (subject to the requisite and other approvals) a Scheme of Arrangement (Demerger) involving the demerger of its Agro Chemical business undertaking into NATCO Crop Health Sciences Limited (newly incorporated wholly owned subsidiary). The Scheme of Arrangement has been filed with relevant regulatory authorities for approval.

As per our Report of even date attached
for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No. 128510W

Amit Kumar Bajaj
Partner
Membership Number: 218685

Place: Hyderabad
Date: 29 May 2026

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

V C Nannapaneni
Chairman and Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964

Amit Parekh
Chief Financial Officer

Place: Hyderabad
Date: 29 May 2026

Consolidated Financial Statements

Independent Auditor's Report

To the Members of **NATCO Pharma Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of NATCO Pharma Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate, which comprise the consolidated balance sheet as at 31 March 2026, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 and its associate as at 31 March 2026, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 SAs 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 and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

Revenue Recognition

See Note 3(e) and Note 22 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue is recognised when the control of the products being sold has transferred to the customer. The Group has a large number of customers operating in various geographies and sale contracts with customers having varied terms relating to the recognition of revenue. Control is usually transferred upon shipment/ delivery to/ upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers.	In view of the significance of the matter, the following audit procedures were performed, among others, to obtain sufficient and appropriate audit evidence: • Assessed the appropriateness of revenue recognition accounting policies against Ind AS 115, Revenue from Contracts with Customers;

The key audit matter	How the matter was addressed in our audit
We identified the recognition of revenue from sale of products throughout the year and at year end as a key audit matter because the Group and its external stakeholders focus on revenue as a key performance indicator. There could be a risk that revenue is recognised before the control has been transferred to the customer. The Group also enters into product supply arrangements where, in certain cases, revenue is recognised on a profit-sharing basis and involves estimation of variable consideration. The timing and measurement of such revenue depend on customer confirmations and interpretation of contractual terms, requiring judgment and therefore this was considered a key audit matter. The Group enters into development and commercialisation arrangements for research and development of pharmaceutical products, often involving collaboration with other companies, resulting in revenue from services. Given the complexity in determining the timing and measurement of revenue, including assessment of performance obligations, recognition of revenue from such arrangements requires significant judgment and was therefore considered a key audit matter.	• Tested the design, implementation and operating effectiveness of key controls over measurement, timing and recognition of revenue in accordance with customer contracts; • Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year and around the year end, and verifying underlying documents such as sales invoices, contracts and shipping documents, as applicable; • Verified the terms of agreements, invoices, confirmations and payments received in respect of revenues recognised during the year for product supply arrangements; • Analysed the terms of development and commercialisation arrangements to assess whether revenue was recognised for rights transferred in line with performance obligations under the contracts; • Evaluated the methodology and assumptions used in estimating variable consideration, including rebates, shelf stock adjustments, returns and discounts, by verifying underlying data, performing sample recalculations, reviewing subsequent settlements and assessing consistency with historical trends; and • Tested high risk manual journal entries posted to revenue to identify any unusual items.

Deferred tax asset on Minimum Alternate Tax ('MAT') credit entitlement

See Note 30 (D) and (E) to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Holding company has paid minimum alternate tax (MAT) under Section 115JB of the Income-tax Act, 1961 which can be carried forward and set off against future regular tax within the prescribed period. Recognition of MAT credit as a deferred tax asset depends on the Holding company's ability to utilise it, which requires judgment regarding the outcome of past tax litigations and availability of future taxable profits. Due to this uncertainty and the significant judgment involved, this has been considered a key audit matter	In view of the significance of the matter, the following audit procedures were performed, among others, to obtain sufficient and appropriate audit evidence: • Tested the design, implementation and operating effectiveness of the Holding company's key controls over recognition of deferred tax asset relating to MAT credit; • Involved tax specialists to assess the impact of ongoing past litigations on the availability of MAT credit for utilization; • Analysed origination of MAT credit entitlement and assessed the reasonableness of Holding company's assessment in relation to its utilisation within the period allowed for carry forward and set off against foreseeable forecast taxable income streams; and • Evaluated appropriateness of taxation disclosures in the financial statements, including the disclosures made in respect of the utilisation period of deferred tax assets in relation to MAT credit entitlement and uncertain tax positions.

Impairment of Property, plant and equipment of Agro Chemicals segment (identified as cash generating unit ('CGU')

See Note 5 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Holding Company has incurred continuous losses in its Agro Chemicals segment, indicating a potential risk of impairment of property, plant and equipment. Assessing impairment requires significant judgment in determining the recoverable amount in line with applicable accounting standards. Given the high growth expected by the Company, Discounted Cash Flow approach was considered less appropriate, as it would require highly uncertain assumptions. Further, in this case, the recoverable value is not expected to arise from continued use of the assets but is primarily linked to the proposed demerger of the segment, and accordingly has been assessed using a market comparable approach. This involves significant assumptions, including selection of comparable companies and determination of appropriate multiples. Given the dependence on future events and the inherent uncertainty in the assumptions used, impairment assessment of these assets has been considered a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Tested the design, implementation and operating effectiveness of the Holding company's key controls over impairment analysis of CGU; • Tested budgeting procedures upon which the cash flow forecasts were based. We also compared the actual past performances with the budgeted figures; • Involved valuation specialists to assist us in evaluating the key assumptions and methodology used by the Company, in particular those relating to the EBIDTA multiples of comparable companies used by the company. The valuation specialists also compared the assumptions to externally derived data in relation to key inputs of comparable companies; • Assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions; and • Assessed the adequacy of the disclosures in accordance with the applicable accounting standards.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual report, but does not include the financial statements and auditor's report thereon. The Holding Company's Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 when it becomes available 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.

When we read the Holding Company's Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company 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 associate are responsible for overseeing the financial reporting process of each company.

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 company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 associate 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 statements of such entity or business activities within the Group and its associate 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. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matter" in this audit report.

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

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

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

Other Matter

a. We did not audit the financial statements of 13 subsidiaries (including step down subsidiaries), whose financial statements reflects total assets (before consolidation adjustments) of INR 35,047 million as at 31 March 2026, total revenues (before consolidation adjustments) of INR 7,110 million and net cash inflows (before consolidation adjustments) amounting to INR 1,142 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include share of net profit (and other comprehensive income) (before consolidation adjustments) of INR 419 million for the period ended 31 March 2026, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (including step down subsidiaries) and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries (including step down subsidiaries) and associate is based solely on the reports of the other auditors.

b. Certain of these subsidiaries (including step down subsidiaries) and associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries (including step down subsidiaries) and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries (including step down subsidiaries) and associate located outside India is based on the reports of other auditors and 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in 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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate, as were audited by other auditors, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2026 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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 and its associate, as noted in the "Other Matter" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group and its associate. Refer Note 37 to the consolidated financial statements.

b. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2026.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2026.

d (i) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 43(ii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company 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 Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 43(iii) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

f. Based on our examination which included test checks, the Holding company and the subsidiary company incorporated in India has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and

the same has operated throughout the year for all relevant transactions recorded in the software except that:

- the feature of audit trail facility was not enabled at the database level to log any direct data changes for the accounting software used for financial reporting during the period from 01 April 2025 to 10 July 2025.
- the feature of audit trail facility was not enabled for certain tables at the database level to log any direct data changes for the accounting software used for financial reporting during the period from 11 July 2025 to 31 March 2026.

Accounting software for which audit trail feature is enabled and operated, we did not come across any instance of audit trail feature being tampered with during the course of our audit. Additionally, where audit trail (edit log) facility was enabled and operated in the previous year, the audit trail has been preserved by the Group as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/ payable during the current year by the Holding Company , to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company , is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:26218685GAFVZH8006

Place: Hyderabad
Date: 29 May 2026

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of NATCO Pharma Limited for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:26218685GAFVZH8006

Place: Hyderabad
Date: 29 May 2026

Annexure B to the Independent Auditor's Report on the consolidated financial statements of NATCO Pharma Limited for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of NATCO Pharma Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditor, the Holding Company and such company incorporated in India which is its subsidiary company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 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 Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:26218685GAFVZH8006

Place: Hyderabad
Date: 29 May 2026

Consolidated Balance Sheet

as at 31-03-2026

(All amounts in ₹millions, except share data and where otherwise stated)

Particulars	Note	As at 31-03-2026	As at 31-03-2025
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	5	25,454	24,319
(b) Capital work-in-progress	39	2,937	2,254
(c) Goodwill	6	630	574
(d) Other intangible assets	6	1,943	2,087
(e) Investment accounted for using equity method	41	22,757	-
(f) Financial assets			
(i) Investments	7	2,732	1,528
(ii) Other financial assets	9	620	1,823
(g) Deferred tax assets, net	29	2,326	501
(h) Non-current tax assets, net		116	32
(i) Other non-current assets	10	699	490
Total non-current assets		**60,214**	**33,608**
(2) Current assets			
(a) Inventories	11	9,085	7,658
(b) Financial assets			
(i) Investments	7	5,782	3,208
(ii) Trade receivables	12	8,812	12,466
(iii) Cash and cash equivalents	13	1,989	1,200
(iv) Bank balances other than (iii) above	13	13,520	20,560
(v) Loans	8	98	94
vi) Other financial assets	9	7,418	4,205
(c) Other current assets	10	3,819	3,309
Total current assets		**50,523**	**52,700**
Total assets		**110,737**	**86,308**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	358	358
(b) Other equity	15	91,853	75,712
Equity attributable to owners of the Company		92,211	76,070
(c) Non-controlling interests		-	53
Total equity		**92,211**	**76,123**
(2) Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	1,000	-
(ii) Lease liabilities	17	42	46
(iii) Other financial liabilities	18	55	46
(b) Provisions	19	618	656
(c) Deferred tax liabilities, net	29	2	2
Total non-current liabilities		**1,717**	**750**
(B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	6,064	2,731
(ii) Lease liabilities	17	33	17
(iii) Trade payables	21		
- total outstanding dues of micro and small enterprises; and		278	176
- total outstanding dues of creditors other than micro and small enterprises		3,815	2,573
(iv) Other financial liabilities	18	1,381	1,146
(b) Other current liabilities	20	1,731	1,223
(c) Provisions	19	3,502	779
(d) Current tax liabilities (net)		5	790
Total current liabilities		**16,809**	**9,435**
Total liabilities		**18,526**	**10,185**
Total equity and liabilities		**110,737**	**86,308**
Material accounting policies	3 and 4		

The accompanying notes form an integral part of the consolidated financial statements

As per our Report of even date attached

for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No. 128510W

Amit Kumar Bajaj
Partner
Membership Number: 218685

Place: Hyderabad
Date: 29 May 2026

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

V C Nannapaneni
Chairman and Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964

Amit Parekh
Chief Financial Officer

Place: Hyderabad
Date: 29 May 2026

Consolidated Statement of Profit and Loss

for the year ended 31-03-2026

(All amounts in ₹millions, except share data and where otherwise stated)

	Note	For the year ended 31-03-2026	For the year ended 31-03-2025
1. Income			
(a) Revenue from operations	22	40,783	44,295
(b) Other income	23	2,976	3,545
Total income		**43,759**	**47,840**
2. Expenses			
(a) Cost of materials consumed	24	5,935	5,362
(b) Purchases of stock-in-trade		2,032	1,661
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(1,062)	(125)
(d) Employee benefits expense	26	6,872	5,945
(e) Finance costs	27	367	239
(f) Depreciation, amortisation and impairment expenses	5 and 6	2,066	2,352
(g) Other expenses	28	12,641	9,492
Total expenses		**28,851**	**24,926**
3. Profit before share of profit of associate and tax (1-2)		**14,908**	**22,914**
4. Tax expense:	29		
(a) Current tax		3,035	4,376
(b) Deferred tax		(1,846)	(296)
Total tax expenses		**1,189**	**4,080**
5. Profit for the year before share of profit of associate and tax (3-4)		**13,719**	**18,834**
6. Share of profit of associated Companies, net of tax		**466**	
7. Profit for the year after share of profit of associate and tax (5+6)		**14,185**	**18,834**
8. Other comprehensive income (OCI)			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit liability/(asset)		19	(78)
Tax on remeasurement of defined benefit liability/(asset)		(7)	27
(ii) Fair value changes of Equity investments through OCI		478	23
Tax impact in Fair value changes on Equity investments through OCI		(87)	(6)
(b) Items that will be reclassified to profit or loss			
(i) Exchange differences on translating financial statements of foreign operations		2,518	(206)
(ii) Share of OCI of associate (net of tax)		(47)	-
Other comprehensive (loss)/ income for the year, net of tax		2,874	(240)
9. Total comprehensive income for the year (5+6)		**17,059**	**18,594**
10. Profit for the year attributable to:			
Owners of the Company		14,185	18,854
Non-controlling interests		-	(20)
Profit for the year		14,185	18,834
11. Other comprehensive income for the year attributable to:			
Owners of the Company		2,874	(240)
Non-controlling interests		-	-
Other comprehensive income for the year		2,874	(240)
12. Total comprehensive income for the year attributable to:			
Owners of the Company		17,059	18,614
Non-controlling interests		-	(20)
Total comprehensive income for the year		**17,059**	**18,594**
13. Earnings per equity share (Face value of ₹ 2 each)	30		
Basic (in ₹)		79.20	105.26
Diluted (in ₹)		79.20	105.26
Material accounting policies	3 and 4		

The accompanying notes form an integral part of the consolidated financial statements

As per our Report of even date attached

for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No. 128510W

Amit Kumar Bajaj
Partner
Membership Number: 218685

Place: Hyderabad
Date: 29 May 2026

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

V C Nannapaneni
Chairman and Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964
Place: Hyderabad
Date: 29 May 2026

Amit Parekh
Chief Financial Officer

Consolidated Statement of Cash Flow

for the year ended 31-03-2026

(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended 31-03-2026	For the period ended 31-03-2025
Cash flows from operating activities		
Profit before tax for the year	14,908	22,914
Adjustments for		
Depreciation, amortisation and impairment expenses	2,066	2,352
Finance costs	367	239
Interest income	(2,315)	(1,872)
Provision for impairment of receivables and advances, net	78	(22)
Bad debts written off	11	11
Capital work-in-progresss written off	-	30
Liabilities written back	-	(5)
Net Loss/ (gain) on sale / discard of property, plant and equipment	251	(901)
(Profit)/ loss on sale of investments	(24)	(14)
Dividend income on equity investment at fair value through other comprehensive income	(4)	(33)
Unrealised foreign exchange gain, net	(133)	(8)
Operating profit before working capital changes	15,205	22,691
Changes in working capital		
Increase in inventories	(1,427)	(653)
Decrease/ (increase) in trade receivables	3,860	(593)
Increase in other financial assets	(37)	(20)
Increase in other assets	(588)	(526)
Increase in trade payables	1,333	403
Increase/ (decrease) in provisions	2,704	(381)
Increase/ (decrease) in other financial liabilities	102	(109)
Increase/ (decrease) in other liabilities	508	(118)
Cash generated from operating activities	**21,660**	**20,694**
Income taxes paid, net of refund	(3,977)	(3,726)
Net cash generated from operating activities (A)	**17,683**	**16,968**
Cash flows from investing activities		
Purchase of property, plant and equipment (Refer note b below)	(3,883)	(4,011)
Proceeds from sale of property, plant and equipment	14	950
Acquisition of intangible assets	(28)	(1,105)
Proceeds from sale of intangible assets	-	201
Investments in associate company	(20,791)	-
Purchase of non-controlling interest in a group entity	(77)	-
Advance for purchase of unquoted shares	-	(30)
Loans given to others	(4)	(4)
Proceeds from sale of investments	4,062	4,102
Purchase of investments	(7,705)	(3,367)
Deposits with banks	(49,694)	(20,576)
Redemption of bank deposits	56,750	8,825
Interest received	2,475	1,466
Dividend received from associate	369	-
Dividend received from investment other than associate	4	33
Redemption of deposits with financial institutions (other than with banks)	5,897	3,848
Deposits with financial institutions (other than with banks)	(8,206)	(4,477)
Net cash used in investing activities (B)	**(20,817)**	**(14,145)**
Cash flows from financing activities		
Proceeds from issue of shares to non-controlling interests	-	73
Proceeds from long-term borrowings	4,000	-
Net proceeds from/ (repayment of) short-term borrowings	260	(892)
Dividends paid	(902)	(1,078)
Finance cost paid	(359)	(176)
Principal and interest payment of lease liabilities (refer note (c) below)	(24)	(34)
Net cash generated from/ (used) in financing activities (C)	**2,975**	**(2,107)**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(159)**	**716**
Effect of currency translation adjustment	948	(220)
Cash and cash equivalents as at the beginning of the year	1,200	704
Cash and cash equivalents as at the end of the year	1,989	1,200

Consolidated Statement of Cash Flow

for the year ended 31-03-2026

(All amounts in ₹ millions, except share data and where otherwise stated)

Components of cash and cash equivalents

Particulars	As at 31-03-2026	As at 31-03-2025
Cash and cash equivalents:		
Cash on hand	3	2
Balance with Banks:		
- Current accounts	1,408	659
- Deposit with original maturity within three months	578	539
	1,989	**1,200**

Notes:

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

b) Purchase of property, plant and equipment includes outflows of capital work-in-progress, capital advances and capital creditors.

c) Movement in borrowings and lease liabilities in accordance with Ind AS 7:

Particulars	As at 31-03-2026	As at 31-03-2025
Borrowings from banks:		
Opening balance	2,731	3,632
Proceeds from/ (repayment of) borrowings, net	4,260	(892)
Non-cash items (foreign exchange changes)	73	(9)
Closing balance	**7,064**	**2,731**
Lease liabilities:		
Opening balance	63	80
Cash flow changes	(24)	(34)
Non-cash changes	36	17
Closing balance	**75**	**63**

Material accounting policies 3 and 4

The accompanying notes form an integral part of the consolidated financial statements

As per our Report of even date attached
for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No. 128510W

Amit Kumar Bajaj
Partner
Membership Number: 218685

Place: Hyderabad
Date: 29 May 2026

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

V C Nannapaneni
Chairman and Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964

Amit Parekh
Chief Financial Officer

Place: Hyderabad
Date: 29 May 2026

Consolidated Statement of Changes in Equity

for the year ended 31-03-2026

(All amounts in ₹ millions, except share data and where otherwise stated)

A. Equity Share Capital

	Number of Shares	Amount
As at 01-04-2024	**179,109,870**	**358**
Changes in Equity share capital due to prior period errors	-	-
Restated balance as at 01-04-2024	179,109,870	358
Changes in Equity share capital during the year	-	-
As at 31-03-2025	**179,109,870**	**358**
Changes in Equity share capital due to prior period errors	-	-
Restated balance as at 01-04-2025	179,109,870	358
Changes in Equity share capital during the year	-	-
As at 31-03-2026	**179,109,870**	**358**

B. Other Equity

Particulars	Reserves and Surplus					Other comprehensive income		Total other equity attributable to owners of the Company	Non-controlling interest	Total equity
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Gain/(loss) on FVTOCI equity securities	Foreign currency translation reserve			
As at 01-04-2024	**12,019**	**516**	**18**	**595**	**44,657**	**152**	**216**	**58,173**	**-**	**58,173**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the year	**12,019**	**516**	**18**	**595**	**44,657**	**152**	**216**	**58,173**	**-**	**58,173**
Profit for the year	-	-	-	-	18,854	-	-	18,854	-	18,854
Remeasurement of defined benefit plan, net of tax	-	-	-	-	(51)	-	-	(51)	-	(51)
Fair value changes in Equity instruments through OCI, net of tax	-	-	-	-	-	17	-	17	-	17
Exchange differences on translating financial statements of foreign operations	-	-	-	-	-	-	(206)	(206)	-	(206)
Profit on sale of equity instruments	-	-	-	-	81	(81)	-	-	-	-
Transaction with owners - Dividends paid (refer note 14(ix))	-	-	-	-	(1,075)	-	-	(1,075)	-	(1,075)
Changes in non-controlling interest	-	-	-	-	-	-	-	-	53	53
As at 31-03-2025	**12,019**	**516**	**18**	**595**	**62,466**	**88**	**10**	**75,712**	**53**	**75,765**
Profit for the year	-	-	-	-	14,185	-	-	14,185	-	14,185

Consolidated Statement of Changes in Equity

for the year ended 31-03-2026

(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	Reserves and Surplus					Other comprehensive income		Total other equity attributable to owners of the Company	Non-controlling interest	Total equity
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Gain/(loss) on FVTOCI equity securities	Foreign currency translation reserve			
Remeasurement of defined benefit plan, net of tax	-	-	-	-	12			12	-	12
Fair value changes in Equity instruments through OCI, net of tax	-	-	-	-	-	344	-	344	-	344
Exchange differences on translating financial statements of foreign operations	-	-	-	-	-	-	2,518	2,518	-	2,518
Profit on sale of equity instruments	-	-	-	-	139	(141)	-	(2)	-	(2)
Transaction with owners - Dividends paid (refer note 14(ix))	-	-	-	-	(896)	-	-	(896)	-	(896)
Changes in non-controlling interest	-	-	-	-	(20)	-	-	(20)	(53)	(73)
As at 31-03-2026	**12,019**	**516**	**18**	**595**	**75,886**	**291**	**2,528**	**91,853**	**-**	**91,853**

The accompanying notes form an integral part of the consolidated financial statements

As per our Report of even date attached
for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No. 128510W

Amit Kumar Bajaj
Partner
Membership Number: 218685

Place: Hyderabad
Date: 29 May 2026

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

V C Nannapaneni
Chairman and Managing Director
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Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964

Amit Parekh
Chief Financial Officer

Place: Hyderabad
Date: 29 May 2026

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

1. Reporting entity information

NATCO Pharma Limited ("the Company" or "the Parent") is a public limited company domiciled in India and incorporated in India with its registered office situated at NATCO House, Road No. 2, Banjara Hills, Hyderabad – 500034. The Company has been incorporated under the provisions of Companies Act, 1956 and its equity shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as "the Group") and its associate for the year ended 31 March 2026 is engaged in the business of pharmaceuticals and agricultural chemicals which comprises research and development, manufacturing and selling of bulk drugs, finished dosage formulations. The Group has manufacturing facilities in India which caters to both domestic and international markets including regulated markets like United States of America and Europe.

2. Basis of preparation

A. Statement of Compliance

These consolidated financial statements of the Group and its associate have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act under the historical cost convention on an accrual basis and going concern except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

The consolidated financial statements for the year ended 31 March 2026 were authorized and approved for issue by the Company's Board of Directors on 29 May 2026.

Details of Group's and its associate accounting policies are included in Note 3.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupee ('INR' or '₹') which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated. Transactions and balances with values below the rounding off norm adapted by the Group and its associate have been reflected as '0' in relevant notes in the consolidated financial statements.

C. Current and non-current classification

Based on the time involved between acquisition of assets for processing and their realisation of cash and cash equivalents, the Group has identified twelve months as it operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

D. Operating cycle

The Group has ascertained its operating cycle as 12 months that is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

E. Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following items which are measured an alternative basis each reporting date:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit asset/ (liability)	Fair value of plan assets less present value of defined benefit obligations (Refer Note 19)
Leases	Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered. (Refer Note 40)

F. Use of estimates and judgements

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key accounting estimates, judgments and assumptions in preparation of these consolidated financial statements are given in Note 4.

G. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of reporting period during which the change has occurred.

3. Material accounting policies

a. Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired (acquisition date), as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 3(c)). Any gain on a bargain purchase is recognised in the Other comprehensive income ('OCI') and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, then gain on a bargain purchase is recognised directly in equity as capital reserve. Transaction costs/ acquisition related costs are expensed as incurred and services are received, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

ii. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The financial statements of subsidiaries are included in the consolidated financial statement from the date on which control commences until the date on which control ceases.

Consolidation procedure followed is as under:

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

iii. Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's net identifiable asset at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interest is presented separately from the liabilities or assets and the equity of the shareholders in the consolidated Balance Sheet. Non-controlling interest in the profit or loss of the Group is separately presented.

iv. Subsidiaries considered in the consolidated financial statements:

The following subsidiaries have been considered for the purpose of preparation of the consolidated financial statements:

Name of the subsidiaries	Country of Incorporation	Percentage holding/interest (%) As at 31 March	
		2026	2025
NATCO Pharma, Inc.	United States of America	100.00	100.00
Time Cap Overseas Limited	Mauritius	100.00	100.00
NATCOFarma do Brasil Ltda	Brazil	100.00	100.00
NATCO Pharma (Canada), Inc.	Canada	99.04	99.04
Natco Pharma Asia Pte. Ltd.	Singapore	100.00	100.00
NATCO Pharma Australia PTY Ltd.	Australia	100.00	100.00
NATCO Lifesciences Philippines Inc.	Philippines	100.00	100.00
NATCO Pharma USA LLC (Formerly known as Dash Pharmaceuticals LLC) name changed w.e.f. 12 April 2023	United States of America	100.00	100.00
NATCO Pharma UK Limited (incorporated on 04 September 2023)	United Kingdom	100.00	100.00
PT. NATCO Lotus Farma (incorporated on 28 August 2023)	Indonesia	100.00	51
NATCO Pharma Colombia S.A.S, (incorporated on 16-08-2023)	Colombia	100.00	100.00
NATCO Pharma South Africa Proprietary Limited (incorporated on 31 July 2025)	South Africa	100.00	0
NATCO Crop Health Sciences Private Limited (incorporated on 26 December 2025)	India	100.00	0

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Note 1: NATCOFarma Do Brasil Ltda is the Subsidiary of Time Cap Overseas Limited and interest in NATCO Pharma interest in NATCOFarma Do Brasil Ltda represents effective holding of the Group.

Note 2: Principal activity of all subsidiaries except NATCO Pharma Inc. and Time Cap Overseas Limited is marketing of pharmaceutical products. NATCO Pharma Inc and Time Cap Overseas Limited are an intermediate investment holding company.

v. Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

vi. Equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the

- the investor's share of the profit or loss of the investee;
- the investor's proportionate interest in the investee arising from changes in the investee's OCI; and
- the dividends received from the investee.

until the date on which significant influence ceases.

A financial asset previously accounted for under may become an equity-accounted investee when:

- the investor acquires an additional holding; or
- there is a change in circumstances that results in significant influence or joint control being obtained

Thus, to account for that change from a financial asset to an investment subject to significant influence, Group follows the fair value approach under which, the entity has determined the cost of its investment in the equity-accounted investee as the sum of the fair value of the initial interest at the date of obtaining significant influence plus the consideration paid for any additional interest. The fair value gains or losses are recognised in OCI till the date of acquisition of significant influence gets transferred to retained earnings.

vii. Translation elimination

The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, contingent liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated in the same way as unrealised gains unless the transaction provide (except for foreign currency translation gain or losses) evidence of an impairment of the transferred asset.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March 2026.

viii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

b. Property, plant and equipment (PPE)

Recognition and initial measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment includes its purchase price, duties, taxes (non-deductible), after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Freehold land is not depreciated.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition for its intended use and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Transition to Ind AS

The cost of property, plant and equipment at 1 April 2016, the Group's date of transition to Ind AS was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the Group. Depreciation rates followed by the Group coincides with rates prescribed in Schedule II to the Companies Act, 2013. Depreciation amount is recognised in the Statement of Profit and Loss. Depreciation for assets purchased / sold during the period is proportionately charged. i.e., from/(up to) the date on which the asset is use/(disposed-off).

The estimated useful lives of items of property, plant and equipment as follows:

Assets	Management's Estimated useful life (in years)	Useful life as per Schedule II (in years)
Buildings	3 to 60	3 to 60
Plant and machinery	5 to 20	5 to 20
Computers	3 to 6	3 to 6
Vehicles	8 to 10	8 to 10
Office equipment	5	5
Furniture and fixtures	10	10

Freehold land is not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss, when the asset is derecognised.

Capital work-in-progress

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

c. Goodwill and Other Intangible assets

Recognition and initial measurement

Goodwill

Goodwill arising on the acquisition of subsidiaries (See Note 3(a(i)) is measured at cost less accumulated impairment losses.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Other Intangible assets

Intangible assets (software) acquired separately are measured on initial recognition at their cost. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and cost directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Following initial recognition, other intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Transition to Ind AS

The cost of intangible assets at 1 April 2016, the Group's date of transition to Ind AS was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS

Amortisation

The Group amortises intangible assets with a finite useful life using the straight-line method over the following useful lives:

Assets	Useful life (in years)
Commercial product portfolio	10 to 15
Distributor relationships	10 to 15
Pipeline product portfolio	10 to 15
Abbreviated new drug applications	10 to 15
Computer Software	1 to 6

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

d. Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognised as income or expenses in the period in which they arise. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Foreign currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the following items which are recognised in other comprehensive income ('OCI') -

- an investment in equity securities designated as at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

Foreign Operations

The assets and liabilities of foreign operations (subsidiaries, none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. assets and liabilities are translated at the closing rate at the reporting date,
2. income and expenses items are translated at average exchange rates for respective periods; and
3. Foreign currency differences are recognised in OCI and accumulated in the equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes off only a part of its interest in an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to Statement of Profit or Loss.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

e. Revenue from contracts with customers

The Group derives revenues primarily from sale of finished dosage formulations, active pharmaceutical ingredients (APIs) and agricultural chemicals, including technically complex molecules.

The Group generates revenue from its ordinary activities i.e. from sale of goods and services. A contract in this context shall fulfil all of the following conditions:

- Both the parties to the contract agree on the contract terms
- Performance obligation of each of the parties is identifiable and there exists a commitment to perform their respective obligations; and
- The commercial substance or the purchase consideration is measurable and the collectability is probable.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by the nature of sale i.e. manufactured and traded goods of pharmaceutical or agro chemical products and sale of service and geography. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cashflows are affected by industry, market and other economic factors.

Contract balances

The Group classifies the right to consideration in exchange for sales of goods as trade receivables and advance consideration as contract liability against payment.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of goods:

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment/ delivery to/ upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns, chargeback, rebates, shelf stock adjustments, where applicable and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc., where applicable.

The Group from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Group sells its products to the business partners at a non-refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Sale of services:

Revenue from sale of services, includes in certain instances, certain performance obligations and based on evaluation of whether or not these obligations are in consequential, revenue is recognised in accordance with the terms of the contracts with the customers when the related performance obligation is completed at point in time or spread over a period of time, as applicable.

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These arrangements typically consist of an initial upfront payment on inception of the agreement and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain milestones are recognised as revenues either on achievement of such milestones or over the performance period depending on the terms of the contract.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not require to adjust any of the transaction prices for the time value of money.

f. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they are incurred in the Statement of Profit and Loss.

g. Government 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 revenue, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is presented as a reduction to the carrying value of the related asset.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

h. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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.

i. Leases as a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Impairment loss, if any, is recognised in the Statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. For leases with reasonably similar characteristics, the Group, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio.

The lease payments include

- fixed payments, including in substance fixed payment;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

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- amount expected to be payable under a residual value guarantees,
- exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of use asset and Statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in Statement of profit or loss.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities separately in the Balance sheet within 'financial liabilities'.

Short-term leases and leases of low-value assets

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

ii. Leases as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on straight-line basis over the lease term as part of 'other income'.

i. Impairment of non-financial assets (Intangible assets and property, plant and equipment)

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets with indefinite useful life are tested annually for impairment. Goodwill is tested annually for impairment.

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 to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is

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measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

j. Financial instruments

i. Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. At the time of initial recognition, these financial assets (unless it is a trade receivable without a significant financing component) or financial liabilities are measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- Fair value through other comprehensive income– debt investment or equity investment ('FVOCI'); or
- Fair value through profit or loss ('FVTPL').

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met is not designated as FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through other comprehensive income if both of the following conditions are met and is not designated as FVTPL:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of investments:

a. Debt instruments at amortised cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

b. Equity investments – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

   These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

c. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL). Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Interest income and expense and dividend income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). Interest income is included in other income in the Statement of Profit and Loss. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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Dividend income is recognised in profit or loss on the date when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

iii. De-recognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liabilities simultaneously.

v. Financial guarantee contracts

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

k. Impairment of financial assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI;

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit – impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables, loans, contract assets are always measured at an amount equal to

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lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

l. Inventories

Inventories are valued at the lower of cost or net realisable value. The cost of inventories is determined on a moving weighted average basis, and includes cost for acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of raw materials and stock-in-trade, cost comprises of cost of purchase. In the case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value. The comparison of cost and net realisable value is made on an item-by-Item basis.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

m. Income taxes

Income tax comprises current an d deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that
  - is not a business combination and
  - at the time of transaction (i)affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

n. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

- Post-employment, long-term and short-term employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays a specific contribution to a separate entity and has no obligation to pay any further amounts. The Group's contribution to provident fund and employee state insurance schemes is charged to the Statement of profit and loss during the period in which the employee renders the related service. The Group's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan. The Group has no obligation, other than the contribution payable to these funds.

Defined benefit plan

The Group has gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date net of fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries, by adopting the projected unit credit method. Actuarial gains and losses resulting from re-measurements of the liability are included in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The Group has subscribed to a group gratuity scheme of Life Insurance Corporation of India (LIC). Under the

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said policy, the eligible employees are entitled for gratuity upon their resignation, retirement or in the event of death in lumpsum after deduction of necessary taxes upto a maximum limit of ₹2 million. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Group makes contributions to the Gratuity Fund.

Other long-term employee benefits

The Group also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the Statement of profit or loss in the year in which such gains or losses arise.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee. Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term basis if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

p. Share-based payments

Certain employees of the Group are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant using an appropriate valuation model.

The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest using fair value in accordance with Ind AS 102, Share based payment. The cost is recognised, together with a corresponding increase in 'Share options outstanding account' reserves in Equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

q. Provisions, contingent liabilities and contingent assets

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and Contingent assets

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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Onerous contracts

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

r. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit (considered in determination of Basic EPS) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

s. Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

t. Research and development

Expenditure on research activities are expensed as and when incurred. Development expenses which meet defined criteria for capitalisation are capitalized if its ability to generate future economic benefits is reasonably certain. All other development costs are expensed as and when incurred. Capital expenditure incurred on research and development is capitalized as property, plant and equipment and depreciated in accordance with the depreciation policy of the Group.

u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

v. Segment reporting

An operating segment is component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Executive Officer to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the group's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. The analysis of geographical segments is based on the areas in which the customers of the Group are located.

w. Recent accounting pronouncements

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

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

- Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.
- Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.
- Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

4. Use of Judgements and estimates

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomesdifferent from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Group's disclosure of material accounting policies which are provided in Note 3 to the consolidated financial statements, 'Material Accounting policies'.

Judgments:

Taxes on income:

Significant judgments are involved in determining the provision for income taxes, including possibility of utilisation of Minimum Alternate Tax (MAT) credit in future. Refer Note 29.

Impairment of property, plant and equipment

Significant judgment is involved in determining the estimated future cash flows from the cash-generating unit to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the consolidated financial statements. Refer Note 5.

Assumptions and estimate uncertainties:

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits. Refer Note 29.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Evaluation of indicators for impairment of intangible assets: The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. Refer Note 6.

Useful lives of property, plant and equipment/ intangible assets: Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment. Refer Note 5 and Note 6.

Impairment of Goodwill: Management reviews the impairment test of goodwill basis key assumptions underlying recoverable amounts, including the recoverability of the cash generating unit. Refer Note 5.

Defined benefit obligation (DBO): Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. Refer Note 19.

Fair value measurements: Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. Refer Note 31.

Provisions: The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Refer Note 19.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

5. Property, plant and equipment

Reconciliation of carrying amount of Property, Plant and Equipment

	Freehold land	Buildings	Plant and equipments	Office equipments	Furniture	Vehicles	Computers	Right-of-use assets (refer note 40)	Total
A. Cost or Deemed cost (Gross carrying amount)									
As at 01-04-2024	3,692	11,080	17,016	79	507	280	458	503	33,615
Additions	1,686	376	1,391	8	57	74	72	6	3,670
Disposals	(113)	(55)	(123)	(15)	(19)	(13)	(67)	(30)	(435)
Exchange differences on translation of foreign operations	-	(9)	(21)	(0)	(1)	(0)	(0)	(5)	(36)
Balance as at 31-03-2025	**5,265**	**11,392**	**18,263**	**72**	**544**	**341**	**463**	**474**	**36,814**
Additions	805	261	1,824	2	34	92	98	46	3,162
Disposals	-	(39)	(933)	(2)	(11)	(39)	(23)	-	(1,047)
Exchange differences on translation of foreign operations	-	14	34	1	3	-	2	20	74
Balance as at 31-03-2026	**6,070**	**11,628**	**19,188**	**73**	**570**	**394**	**540**	**540**	**39,003**
B. Accumulated depreciation									
As at 01-04-2024	-	2,085	7,700	57	249	168	327	52	10,638
Depreciation for the year	-	355	1,119	3	41	29	53	32	1,632
Disposals	-	(27)	(97)	(15)	(17)	(10)	(67)	(30)	(263)
Exchange differences on translation of foreign operations	-	(2)	(7)	(0)	(1)	(0)	(0)	(2)	(12)
Balance as at 31-03-2025	**-**	**2,411**	**8,715**	**45**	**272**	**187**	**313**	**52**	**11,995**
Depreciation for the year	-	388	1,228	4	46	34	61	39	1,800
Disposals	-	(16)	(700)	(2)	(10)	(29)	(22)	-	(779)
Exchange differences on translation of foreign operations	-	4	16	1	2	-	2	8	33
Balance as at 31-03-2026	**-**	**2,787**	**9,259**	**48**	**310**	**192**	**354**	**99**	**13,049**
C. Impairment losses									
As at 01-04-2024	-	-	-	-	-	-	-	-	-
Impairment Loss for the year (refer note (vi))	-	302	198	-	-	-	-	-	500
Balance as at 31-03-2025	**-**	**302**	**198**	3	**-**	**-**	**-**	**-**	**500**
Impairment Loss for the year	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2026	**-**	**302**	**198**	**-**	**-**	**-**	**-**	**-**	**500**
D. Net carrying amounts (A-B-C)									
As at 31-03-2025	**5,265**	**8,679**	**9,350**	**27**	**272**	**154**	**150**	**422**	**24,319**
As at 31-03-2026	**6,070**	**8,539**	**9,731**	**25**	**260**	**202**	**186**	**441**	**25,454**

(i) Contractual obligations - Refer to note 37(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(ii) Refer to note 40 for disclosure of leases under Ind AS 116.

(iii) Refer to note 16 for details of assets mortgaged.

(iv) The Group has not revalued any property, plant and equipment after initial recognition, during the current year and previous year.

(v) Expenditure incurred towards purchase of assets/ equipments for research and development activities amounts to ₹192 (31-03-2025: ₹498).

(vi) During the previous year, as required by Ind AS 36, an assessment of impairment of assets was carried out and based on such assessment an impairment loss was recognised.

The Group identified its reportable segments Pharmaceuticals and Agro Chemicals as separate Cash generating units ('CGUs') for the purpose of impairment testing. Basis the assessment of indicators of impairment, owing to the continous losses in the Agro chemical segment and reduction in the forcasted revenue and free cashflows, the Company performed an assessment of possible impairment in the Property, plant and equipment of the Agro Chemicals segment.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The enterprise value is then compared with net book value of CGU to test for impairment.

The Group had performed impairment assessment of identified CGU and the impairment loss identified is as below:

Particulars	As at 31-03-2025
Value in use	2,398
Carrying value	2,898
Impairment loss recognised under depreciation and amortisation expense in statement of profit and loss	500

Carrying value is equal to the net assets of the Agro Chemical segment.

Weighted average cost of capital % (WACC) pre tax ('Discount rate') used for arriving at the value in use is 14.99%.

Further, the Board of Directors at its meeting held on 24-03-2026, approved (subject to the requisite and other approvals) a Scheme of Arrangement (Demerger) involving the demerger of its Agro Chemical business undertaking into NATCO Crop Health Sciences Limited (newly incorporated wholly owned subsidiary). The Scheme of Arrangement has been filed with relevant regulatory authorities for approval. Accordingly, the management has used the market comparable method for valuing the Agro Chemical segment for the current year and no further impairment is recognised in the books of account.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

6. Intangible assets

Reconciliation of carrying amount of Intangible assets

Goodwill	Goodwill	Other Intangible assets					Total
		Commercial product portfolio	Distributor relationships	Pipeline product portfolio	Abbreviated new drug applications	Computer software	
A. Cost or Deemed cost (Gross carrying amount)							
As at 01-04-2024	**560**	**405**	**86**	**254**	**726**	**386**	**1,857**
Acquisition/additions	-	-	-	-	1,022	58	1,080
Disposals	-	-	-	-	(200)	-	(200)
Exchange differences on translation of foreign operations	14	10	2	6	19	(1)	36
Balance as at 31-03-2025	**574**	**415**	**88**	**260**	**1,567**	**443**	**2,773**
Acquisition/additions	-	-	-	-	-	27	27
Disposals	-	-	-	-	-	(2)	(2)
Exchange differences on translation of foreign operations	56	40	8	25	53	8	134
Balance as at 31-03-2026	**630**	**455**	**96**	**285**	**1,620**	**476**	**2,932**
B. Accumulated amortisation							
As at 01-04-2024	**-**	**90**	**19**	**52**	**75**	**250**	**486**
Amortisation for the year	-	41	9	24	106	40	220
Disposals	-	-	-	-	(26)	(0)	(26)
Exchange differences on translation of foreign operations	-	2	1	1	2	(0)	6
Balance as at 31-03-2025	**-**	**133**	**29**	**77**	**157**	**290**	**686**
Amortisation for the year	-	41	9	24	138	49	261
Disposals	-	-	-	-	-	(2)	(2)
Exchange differences on translation of foreign operations	-	17	4	10	12	2	45
Balance as at 31-03-2026	**-**	**191**	**42**	**111**	**307**	**339**	**990**
C. Net carrying amounts (A-B)							
As at 31-03-2025	**574**	**282**	**59**	**183**	**1,410**	**153**	**2,087**
As at 31-03-2026	**630**	**264**	**54**	**174**	**1,313**	**137**	**1,942**

(i) The Group has not revalued any intangible assets after initial recognition, during the current year and previous year.

(ii) Impairment:

See accounting policy in note 3(i).

Impairment testing for cash generating unit ('CGU') containing goodwill -

For the purpose of impairment testing, goodwill is allocated to the Group's operating division which represents the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segment. The goodwill acquired through business combination has been allocated to ""NATCO Pharma USA LLC"" (Formerly known as Dash Pharmaceuticals LLC) which is part of the pharma segment. The carrying amount of goodwill as at 31 March 2026 is ₹630 (31 March 2025: ₹574).

Following key assumptions were considered while performing goodwill valuation:

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(All amounts in ₹ millions, except share data and where otherwise stated)

Annual growth rate for 5 years (Average): 7.70% (31-03-2025: 32.00%)

Terminal value growth rate: 2.3% (31-03-2025: 2%)

Discount rate: 13.16% (pre tax rate: 13.36%) (31-03-2025: 13.17% (pre tax: 13.26%)

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Discount rate = (We*Re)+(Wd*Rd)

Re = Risk free return + (Market premium x Beta for the Company) + additional risk premium

Rd = Cost of debt* (1-tax rate)

We,Wd = Average debt to capital ratio

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for FY 2025-2026.

7. Investments

	As at 31-03-2026	As at 31-03-2025
I. Non-current		
Unquoted		
At fair value through other comprehensive income		
a. Investment in equity instruments (fully paid-up)		
139,451 (31-03-2025: 139,451) equity shares of ₹10 each, in OMRV Hospitals Pvt Ltd	85	106
21,769 (31-03-2025: 21,769) equity shares of ₹10 each, in Veda Seedsciences Pvt Ltd	80	99
8,000 (31-03-2025: 8,000) equity shares of ₹10 each, in Cipher Oncology Pvt Ltd	14	14
4,054 (31-03-2025: 4,054) equity shares of $1 each, in NATIVITA Joint Limited Liability Company	0	0
30 (31-03-2025: 30) equity shares of € 0.5 per share of Pharnasanta B.V	0	0
750 (31-03-2025: 750) equity shares of ₹100 each, in Jeedimetla Effluent Treatment Ltd	0	0
34,400 (31-03-2025: 34,400) equity shares of ₹10 each, in Pattancheru Enviro-Tech Ltd	0	0
10 (31-03-2025: 10) equity shares of ₹10 each, in Redlciffe Hygiene Pvt Ltd	0	0
375 (31-03-2025: 10) equity shares of ₹10 each, in Cellogen Therapeutics Pvt Ltd	44	1
299 (31-03-2025: 299) equity shares of ₹1 each, in Simplify Wellness India Pvt Ltd	10	10
27,000 (31-03-2025: 27,000) equity shares of ₹10 each, in Jayalakshmi Spinning Mills Ltd	0	0
150,000 (31-03-2025: 150,000) equity shares of ₹1 each, in Lanco Infratech Ltd	0	0

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(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2026	As at 31-03-2025
30,000 (31-03-2025: 10,000) equity shares of ₹1 each, in National Stock Exchange of India Ltd	58	8
Less: Provision for impairment in value of investments	(0)	(0)
	291	**238**
Unquoted		
b. Other investments		
4,757 (31-03-2025: 4,619) units of ₹10,000 each, in Endiya Trust	111	108
37 (31-03-2025: Nil) units of ₹10,000 each, in Meenakshi Real Assets Fund	4	-
500,000 (31-03-2025: 500,000) 0.05% compulsorily convertible preference shares (CCPS) of ₹100 each, in OMRV Hospitals Pvt Ltd	40	50
Nil (31-03-2025: 5,726) 0.0001% CCPS of ₹10 each, in Eyestem Research Pvt. Ltd	-	75
16,953,299 (31-03-2025:16,953,299) 0.001% CCPS of $1 each, in Eywa Pharma Pte Ltd	62	62
8,116 (31-03-2025: 8,116) 0.001% CCPS of ₹10 each, in Redcliffe Hygiene Pvt Ltd	262	130
1,112 (31-03-2025: 556) 0.1% CCPS of ₹10 each, in Cellogen Therapeutics Pvt Ltd	133	74
1 (31-03-2025: 1) Convertible note (CN) of ₹10,000,000 each, in Cipher Oncology Pvt Ltd	10	10
	622	**509**
Unquoted		
At amortised cost		
National savings certificates	0	0
Bonds-Jaguar Land Rover Automotive PLC	0	24
Other - Allianz SE. bonds Issuer LGT Bank	324	-
Other - UBS Group Inc. Bonds	335	-
Other - SRX Health Sol. - Canada	-	30
Other - Stero LLC. - Canada	96	85
Other - eGenesis Inc. - Canada	725	642
Other - Kuwait Prj . - Canada	339	-
	1,819	**781**
Total non-current investments	**2,732**	**1,528**
Aggregate book value of unquoted investments	2,732	1,528
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of impairment in the value of investments	0	0
II. Current		
a) Investments in equity instruments (fully paid-up)		
(At fair value through other comprehensive income)		
Quoted		
2,000 (31-03-2025: 3,000) equity shares of ₹10 each, in Neuland Laboratories Ltd	24	36
5,500 (31-03-2025: 5,500) equity shares of ₹1 each, in Sun Pharmaceuticals Industries Ltd	10	10
530 (31-03-2025: 530) equity shares of ₹2 each, in Alkem Laboratories Ltd	3	3
12,400 (31-03-2025: 12,400) equity shares of ₹1 each, in Zydus Lifesciences Ltd	11	11
150,000 (31-03-2025: 250,000) equity shares of ₹2 each, in Laurus Labs Ltd	149	153

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(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2026	As at 31-03-2025
22,700 (31-03-2025: 22,700) equity shares of ₹1 each, in GMR Airports Limited	2	2
15,000 (31-03-2025: 15,000) equity shares of ₹1 each, in Panacea Biotec Ltd	1	7
2,100 (31-03-2025: 2,100) equity shares of ₹1 each, in ICICI Prudential Life Insurance Company Ltd	1	1
4,000 (31-03-2025: 4,000) equity shares of ₹1 each, in JB Chemicals and Pharmaceuticals Ltd	8	6
30,000 (31-03-2025: 30,000) equity shares of ₹10 each, in Medplus Health Services Ltd	25	23
2,270 (31-03-2025: 2,270) equity shares of ₹5 each, in GMR Power & Urban Infra Ltd	0	0
18,300 (31-03-2025: 18,300) equity shares of ₹1 each, in Ravinder Height Ltd	1	1
107,344 (31-03-2025: 65,344) equity shares of ₹1 each, in FDC Ltd	34	26
2,000 (31-03-2025: 2,000) equity shares of ₹1 each, in Eris Life Sceinces Ltd	3	3
7,300 (31-03-2025: 7,300) equity shares of ₹10 each, in Indusind Bank Ltd	5	5
149 (31-03-2025: 15,000) ₹1000/- each, in ICICI Prudential BSE Liquid Rate ETF	0	15
1,140 (31-03-2025: 126) equity treasury shares of ZAR 10 cents each, in Nasper Ltd, South Africa	5	3
Nil (31-03-2025: 1,284,680) equity treasury shares of ZAR 10,000 each, in Adcock Ingram Holdings Ltd, South Africa (Refer note 41)	-	292
	282	**597**
b) Investment in Bonds, Debentures and Commercial Papers (fully paid-up)		
Quoted		
(At amortised cost)		
Nil (31-03-2025: 100) 7.73% Series III Perpetual Bonds of ₹1,000,000 each, issued by State Bank of India	-	106
Nil (31-03-2025: 1,500) 8.60% NCDs of ₹1,00,000/- each, through issuer Piramal capital & housing finance Ltd.	-	158
Nil (31-03-2025: 2500) 9.65% NCD of ₹1,00,000/- each, through issuer Shriram Finance Ltd	-	274
Nil (31-03-2025: 7500) 9.25% NCD of ₹1,00,000/- each, through issuer Shriram Finance Ltd	-	772
5,000 (31-03-2025: Nil) 7.35% Series X Perpetual Bonds of ₹1,000,000 each, issued by Bharathi Telecom Limited	518	-
2,500 (31-03-2025: Nil) 8.90% Perpetual Bonds of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	266	-
5,000 (31-03-2025: Nil) 8.75% NCD of ₹1,00,000/- each, through issuer Piramal Enterprises Ltd	522	-
2,500 (31-03-2025: Nil) 8..5% Perpetual Bonds of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	259	-
6,000 (31-03-2025: Nil) 9.30% NCD of ₹1,00,000/- each, through issuer Piramal Enterprises Ltd	653	-
2500 (31-03-2025: Nil) 9.10% Perpetual Bonds of ₹1,00,000/- each, through issuer Shriram Finance Ltd	256	-

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(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2026	As at 31-03-2025
2,500 (31-03-2025: Nil) 8.9267% NCD of ₹1,00,000/- each, through issuer Shriram Finance Ltd	269	-
3,000 (31-03-2025: Nil) 8.75% NCD of ₹1,00,000/- each, through issuer Shriram Finance Ltd	304	-
3,000 (31-03-2025: Nil) 9.12% Perpetual Bonds of ₹1,00,000/- each, through issuer Piramal Enterprises Ltd	325	-
2,500 (31-03-2025: Nil) 8.85% Perpetual Bonds of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	260	-
500 (31-03-2025: Nil) 8.43% Perpetual Bonds of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	53	-
3,500 (31-03-2025: Nil) 9.02% NCD of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	379	-
300 (31-03-2025: Nil) 9.20% NCDs of ₹1,00,000/- each, through issuer Nuvama Wealth and Investment Ltd	32	-
60,000 (31-03-2025: Nil) 9.25% NCDs of ₹1,000/- each, through issuer Muthoot Fincorp Ltd	61	-
600 (31-03-2025: Nil) 10% NCDs of ₹1,00,000/- each, through issuer Muthoot Capital Services Ltd	60	-
Nil (31-03-2025: 250) 8.80% Series X Perpetual Bonds of ₹1,000,000 each, issued by Bharathi Telecom Limited	-	259
	4,217	**1,569**
Unquoted		
(At amortised cost)		
4.75% and 5.68% Soft bank bonds Issuer LGT Bank	-	11
5.5% Non redeemable Guaranteed investment certificates issuer Royal Bank of Canada	-	-
2,000 (31 March 2024: Nil) 7.9% Commercial Paper (CP) of ₹500,000/- each,through issuer Piramal Enterprises Limited	990	-
500 (31-03-2025: Nil) 8.35% Commercial Paper (CP) of ₹500,000/- each, through issuer IIFL Finance Limited	245	-
Nil (31-03-2025: 2,000) 8.85% Commercial Paper (CP) of ₹500,000/- each, through issuer Piramal Enterprises Limited	-	988
Bonds - Julius baer- Canada	48	43
	1,283	**1,042**
Total current investments	**5,782**	**3,208**
The Group has not traded or invested in crypto currency or virtual currency during the current year or previous year.		
Information about the Group's exposure to market risks is included in Note 32.		
Aggregate book value of unquoted investments	1,283	1,042
Aggregate book value of quoted investments	4,499	2,166
Aggregate market value of quoted investments	4,499	2,166
Aggregate amount of impairment in the value of investments	-	-

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(All amounts in ₹ millions, except share data and where otherwise stated)

8. Loans

	As at 31-03-2026	As at 31-03-2025
(Unsecured, considered good)		
Current		
Loans to employees	98	94
	98	**94**

Information about the Company's exposure to credit risk is included in Note 32.

9. Other financial assets

	As at 31-03-2026	As at 31-03-2025
(Unsecured, considered good)		
Non-current		
Security deposits	194	187
Bank deposits due to mature after 12 months from the reporting date	-	16
Deposits with financial institutions (other than with banks)	400	1,550
Advance for purchase of unquoted shares	-	30
Interest on loans and deposits accrued but not due	26	40
	620	**1,823**
Current		
Deposits with financial institutions (other than with banks)	6,636	3,177
Interest on deposits, accrued but not due	728	1,004
Other receivables	54	24
	7,418	**4,205**

Information about the Company's exposure to credit risk is included in Note 32.

10. Other assets

	As at 31-03-2026	As at 31-03-2025
Non-current		
Capital advances		
Unsecured, considered good	697	488
Unsecured, considered doubtful	23	19
	720	**507**
Less: Allowance for doubtful advances	(23)	(19)
	697	**488**
Advances other than capital advances		
(Unsecured, considered good)		
Prepaid expenses	1	1
Balance with statutory authorities	1	1
	2	**2**
	699	**490**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2026	As at 31-03-2025
Current		
Advances other than capital advances		
Advance to material suppliers/ service providers		
Unsecured, considered good	813	836
Unsecured, considered doubtful	245	171
	1,058	**1,007**
Less: Allowance for doubtful advances	(245)	(171)
	813	**836**
(Unsecured, considered good)		
Prepaid expenses	221	305
Export incentives	20	17
Balance with statutory authorities	2,764	2,150
Others	1	1
	3,819	**3,309**

11. Inventories

	As at 31-03-2026	As at 31-03-2025
(Valued at lower of cost or net realisable value)		
Raw materials [including goods-in-transit of ₹72 (31-03-2025: ₹151)]	2,737	2,337
Work-in-progress	1,431	1,253
Finished goods [including goods-in-transit of ₹56 (31-03-2025: ₹13)]	3,551	2,385
Stock-in-trade	161	200
Stores and spares [including goods-in-transit of ₹9 (31-03-2025: ₹13)]	790	975
Packing materials [including goods-in-transit of ₹13 (31-03-2025: ₹2)]	415	508
	9,085	**7,658**

The write-down of inventories during the year amounted to ₹1,072 (31-03-2025: ₹661). The write down are included in changes in inventories and cost of materials consumed.

Refer note 16 for details of inventories hypothecated against borrowings.

Refer note 3(l) to material accounting policies.

12. Trade receivables

	As at 31-03-2026	As at 31-03-2025
Current		
Unsecured trade receivables	9,009	12,663
Less: Provision for impairment	197	197
	8,812	**12,466**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Ageing of trade receivables as at 31-03-2026

Outstanding for following periods from due date of payment	Undisputed	
	Considered good	Credit impaired
Unbilled	1,507	-
Not due	5,738	5
Less than 6 months	1,512	66
6 months to 1 year	26	10
1-2 years	24	90
2-3 years	1	21
More than 3 years	4	5
Total	**8,812**	**197**

Ageing of trade receivables as at 31-03-2025

Outstanding for following periods from due date of payment	Undisputed	
	Considered good	Credit impaired
Unbilled	8,338	-
Not due	3,485	39
Less than 6 months	554	57
6 months to 1 year	59	58
1-2 years	24	38
2-3 years	5	4
More than 3 years	1	1
Total	**12,466**	**197**

Refer note 16 for details of trade receivables hypothecated against borrowings.

Refer note 35 for details of trade receivables from related parties.

There are no outstanding trade receivables by directors or other officers of the Company or by firms or private companies in which director is partner or member as at 31-03-2026 and as at 31-03-2025.

There are no disputed trade receivables as at 31-03-2026 and 31-03-2025 respectively.

Information about the Group's exposure to credit and market risks and impairment losses for trade receivables is included in Note 32.

Transfer of trade receivables

The Group sold with recourse trade receivables to a bank for cash proceeds. These trade receivables have not been derecognised from the balance sheet, because the Group retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a secured bank loan (see Note 16).

The following information shows the carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities.

Carrying amount of trade receivables transferred to a bank	1,726	1,579
Carrying amount of associated liabilities	(1,726)	(1,579)

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

13. Cash and bank balances

	As at 31-03-2026	As at 31-03-2025
Cash and cash equivalents:		
Cash on hand	3	2
Balance with banks:		
- On Current accounts	1,408	659
- Deposit with original maturity within three months	578	539
	1,989	**1,200**
Other bank balances		
Deposits (having original maturity more than 3 months) due to mature within 12 months from the reporting date*	13,498	20,532
Unpaid dividend account	22	28
	13,520	**20,560**

*Bank deposits given as margin money and lien marked against bank guarantees/ performance guarantees issued by banks amounting to ₹24 (31-03-2025 : ₹41).

14. Equity share capital

i. Authorised share capital

	As at 31-03-2026		As at 31-03-2025	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹2 each	225,000,000	450	200,000,000	400

ii. Issued, subscribed and fully paid up

	As at 31-03-2026		As at 31-03-2025	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹2 each	179,109,870	358	179,109,870	358
	179,109,870	**358**	**179,109,870**	**358**

iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	As at 31-03-2026		As at 31-03-2025	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares				
Balance at the beginning of the year	179,109,870	358	179,109,870	358
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	**179,109,870**	**358**	**179,109,870**	**358**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

iv. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

v. Details of shareholders holding more than 5% of the total number of equity shares

Name of the equity shareholder	As at 31-03-2026		As at 31-03-2025	
	Number of shares	% holding	Number of shares	% holding
V C Nannapaneni	28,045,905	15.66%	28,045,905	15.66%
Time Cap Pharma Labs Private Limited	17,175,420	9.59%	17,175,420	9.59%
V S Swathi Kantamani	15,933,340	8.90%	15,933,340	8.90%
Natsoft Information Systems Private Limited	15,784,900	8.81%	15,784,900	8.81%

As per records of the Company including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

vi. Details of shares held by Promotors at the end of period

Name of the promoter	As at 31-03-2026			As at 31-03-2025		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Equity shares of ₹2 each, fully paid up						
V C Nannapaneni	28,045,905	15.66%	-	28,045,905	15.66%	-
Kantamani Ratna Kumar	50,000	0.03%	-	50,000	0.03%	-
Durga Devi Nannapaneni	3,539,100	1.98%	-	3,539,100	1.98%	-
Rajeev Nannapaneni	1,078,000	0.60%	-	1,078,000	0.60%	-
Neelima Sita Nannapaneni	182,960	0.10%	-	182,960	0.10%	-
Devendranth Alapati	15,000	0.01%	-	15,000	0.01%	-
Bapineedu Tummala	415	0.00%	-	415	0.00%	-
Tummala Jansi	77,100	0.04%	-	77,100	0.04%	-
T Ananda Babu	413,205	0.23%	-	413,205	0.23%	-
Vidyadhari Tummala	367,200	0.21%	-	367,200	0.21%	-16.96%
T Anila	564,920	0.32%	-	564,920	0.32%	-5.83%
V S Swathi Kantamani	15,933,340	8.90%	-	15,933,340	8.90%	-0.31%
Natsoft Information Systems Pvt Ltd	15,784,900	8.81%	-	15,784,900	8.81%	-
Timecap Pharma Labs Private Limited	17,175,420	9.59%	-	17,175,420	9.59%	-
Natco Aqua Limited	16,000	0.01%	-	16,000	0.01%	-
NDL Infratech Private Limited	93,750	0.05%	-	93,750	0.05%	-
Neelima Nannapaneni Trust	4,082,750	2.28%	-	4,082,750	2.28%	-
Durga Devi Nannapaneni Family Private Trust	600,000	0.33%	-	600,000	0.33%	-
Satya Vani Nannapaneni	334,851	0.19%	(20.27%)	420,000	0.23%	100%
Sanjay Nannapaneni	156,910	0.09%	(52.00%)	326,910	0.18%	100%
VCN Family Private Trust	1,700	0.00%	-	1,700	0.00%	-
SAU Family Trust	1,700	0.00%	-	1,700	0.00%	-
	88,515,126	**49.43%**		**88,770,275**	**49.56%**	

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

vii. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

	2025-26	2024-25	2023-24	2022-23	2021-22
Equity shares bought-back	-	-	3,360,245	87,050	-

viii. There were no stock options granted by the Company during the current year and previous year.

ix. Dividend paid

Dividends on equity shares were declared and paid by the Company during the year:

	2025-26			2024-25		
	Date of approval of Board of Directors	Dividend per Equity share (₹)	Amount in (₹) million	Date of approval of Board of Directors	Dividend per Equity share (₹)	Amount in (₹) million
First interim dividend	12-08-2025	2.00	358	12-08-2024	3.00	537
Second interim dividend	14-11-2025	1.50	269	12-11-2024	1.50	269
Third interim dividend	12-02-2026	1.50	269	12-02-2025	1.50	269
Total			**896**			**1,075**

15. Other equity

A Reserve and surplus

	As at 31-03-2026	As at 31-03-2025
Securities premium		
Balance at the beginning of the year	12,019	12,019
Add: Additions during the year	-	-
Balance at the end of the year	**12,019**	**12,019**
Capital reserve		
Balance at the beginning of the year	516	516
Add: Transferred during the year	-	-
Balance at the end of the year	**516**	**516**
Capital redemption reserve		
Balance at the beginning of the year	18	18
Add: Transferred from retained earnings	-	-
Balance at the end of the year	**18**	**18**
General reserve		
Balance at the beginning of the year	595	595
Add: Transferred from retained earnings	-	-
Balance at the end of the year	**595**	**595**
Retained earnings		
Balance at the beginning of the year	62,466	44,657
Add: Profit for the year	14,185	18,854
Add: Acquisition of Non-controlling interest	(20)	-
Less: Interim dividend	(896)	(1,075)

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2026	As at 31-03-2025
Add: Remeasurement of post employement benefit obligation, net of tax	12	(51)
Add: Transfer from FVOCI - equity investments	139	81
Balance at the end of the year	75,886	62,466
Total reserves and surplus	**89,034**	**75,614**

B Other items of OCI

	As at 31-03-2026	As at 31-03-2025
FVOCI - Equity instruments		
Balance at the beginning of the year	88	152
Less: Transfer to retained earnings	(141)	(81)
Less: Changes in fair value	431	23
Add: Tax impact on the above adjustments	(87)	(6)
Balance at the end of the year	291	88
Foreign currency translation reserve		
Balance at the beginning of the year	10	216
Add : Adjustments during the year	2,518	(206)
Balance at the end of the year	2,528	10
Total other items of OCI	2,819	98
Total Other equity	**91,853**	**75,712**

C Nature and purpose of other reserves

Securities premium

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

Capital reserve

Capital reserve was created on amalgamation of certain entities into the Company in the earlier years and the transactions with shareholders. The Group uses capital reserve for transactions in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve

The Company had purchased its own shares and as per the provision of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve. The Group uses capital redemption reserve for transactions in accordance with the provisions of the Companies Act, 2013.

General reserve

The Group generally appropriates a portion of its earnings to the general reserve to be used for contingencies. These reserves are freely available for use by the Group.

Fair value through other comprehensive income (FVOCI)

The Group has elected to recognise the change in fair value of certain equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Retained earnings

Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit and loss and other comprehensive income pertaining to remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit plan less dividend distribution.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

16. Borrowings

	As at 31-03-2026	As at 31-03-2025
Non-current		
Secured		
Term Loans from banks (refer note (i) below)	1,000	-
	1,000	**-**
Current		
Secured		
Term Loans from banks		
Current maturities of long-term borrowings (refer note (i) below)	3,000	-
Loan repayable on demand from banks		
Working capital loans (secured) (refer note (ii) below)	1,726	1,818
Unsecured		
Loan repayable on demand from banks		
Working capital loans (unsecured) (refer note (iii) below)	1,338	913
	6,064	**2,731**

Notes:

(i) Term loan from bank (secured) represents amount borrowed for the purpose of part funding for overseas direct investment involving acquisition of approximately 35% equity stake in a foreign entity (target company), to be undertaken either directly or through a wholly owned subsidiary. The term loan is secured by an exclusive charge by way of First Charge on entire Plant and Machinery and Land and Building of Mekaguda Plant of the Company situated at Mekaguda gram Panchayat, Nandigama Revenue Village and Mandal, Ranga Reddy District, in the State of Telangaga with minimum security coverage of 1.25. The applicable rate of interest is a 91 days T Bill +150 bps with quarterly reset. The loan is repayable on a 4 quarterly installments starting from 31 July 2026.

(ii) Working capital loans (secured) represents cash credit and bills discounted with various banks. These working capital loans are secured by joint pari-passu first charge on all the current assets and property, plant and equipment of: i) Land admeasuring 17.19 acres comprised in survey no. 70 of village Nandikonda, Mandal Peddavoora, District Nalgonda in the State of Telangana together with all buildings and structures thereon and all plant and equipment attached to the earth. ii) House/premise bearing municipal no. 8-2-120/112/A/33 and 8-2-120/112/A/32 in plot no.100 admeasuring 1,166 sq. yards with all its building and fixed assets situated at Road No.2, Banjara Hills, Hyderabad - 500034.

(iii) Working capital loans (unsecured) represents overdraft facility and bills discounted with various banks.

(iv) The rate of interest applicable was in the range of 2.492% to 8.85% p.a (31-03-2025: 4.155% to 9.30% p.a) for secured and unsecured working capital loan.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(v) Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 32.

(vi) Quarterly statements of current assets filed by the Holding Company with banks or financial institutions are in agreement with the books of account.

(vii) The Holding Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(viii) The Group has not availed any specific borrowing during the year other than as disclosed above.

(ix) There were no delay/ default in repayment of dues or delays in payment of interest to banks.

17. Lease liabilities

	As at 31-03-2026	As at 31-03-2025
Non-current		
Lease liabilities (Refer note 40)	42	46
	42	**46**
Current		
Lease liabilities (Refer note 40)	33	17
	33	**17**

18. Other financial liabilities

	As at 31-03-2026	As at 31-03-2025
Non-current		
Deposits from customers	55	46
	55	**46**
Current		
Capital creditors (refer note 21 for disclosure related to MSME)	719	571
Unpaid dividend	22	28
Payroll related liabilities	601	547
Derivative liability	39	-
	1,381	**1,146**

Information about Group's exposure to foreign currency and liquidity risks is included in Note 32.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

19. Provisions

	As at 31-03-2026	As at 31-03-2025
Non-current		
Provision for employee benefits:		
Provision for gratuity (refer note (a))	91	181
Provision for compensated absences (refer note (b))	501	454
Provision for defined benefit retirement plan (refer note (c))	26	21
	618	**656**
Current		
Provision for employee benefits:		
Provision for gratuity (refer note (a))	167	161
Provision for compensated absences (refer note (b))	109	103
Provision for defined benefit retirement plan (refer note (c))	1	0
Other provisions		
Provision for refund liability (refer note (e))	2,595	168
Provision for litigations (refer note (f))	630	347
	3,502	**779**

(a) Gratuity

The Holding Company has subscribed to a group gratuity scheme of Life Insurance Corporation of India (LIC). Under the said policy, the eligible employees are entitled for gratuity upon their resignation, retirement or in the event of death in lumpsum after deduction of necessary taxes up to a maximum limit of ₹2. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Holding Company makes contributions to the Gratuity Fund. The defined benefit plans expose the Holding Company to actuarial risk, interest rate risk and investment risk etc.

Interest Rate Risk: The plan exposes the Holding Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Holding Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

The Gratuity plan is administered through Group Gratuity Scheme with Life Insurance Corporation of India ('LIC'). Every employee who has completed five years or more of service or or every fixed term employee who has completed one year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months .

The Company has determined that, in accordance with the terms and conditions of the gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. As such, no decrease in the defind benefit asset is necessary at 31 March 2026 (31 March 2025: no decrease in defined benefit asset). Project unit credit method has been used for valuation.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The following tables sets out the status of the gratuity plan and the reconciliation of opening and closing balances of the present value and defined benefit obligation:

(i) Reconciliation of the present value of defined benefit obligation

	As at 31-03-2026	As at 31-03-2025
Opening balance	1,065	850
Current service cost	99	87
Interest cost	71	61
Benefits paid	(85)	(42)
Remeasurement or Actuarial gain/ (loss) arising from:		
Experience adjustment	22	34
Change in demographic assumptions	(2)	(38)
Change in financial assumptions	(28)	113
Closing balance	**1,142**	**1,065**

(ii) Reconciliation of present value of plan assets

	As at 31-03-2026	As at 31-03-2025
Opening balance	723	517
Interest income	48	37
Employer contribution	185	201
Benefits paid	(85)	(42)
Return on plan assets, excluding interest income	13	10
Closing balance	**884**	**723**

(iii) Reconciliation of net defined benefit obligation

	As at 31-03-2026	As at 31-03-2025
Present value of funded obligation	1,142	1,065
Fair value of plan assets	(884)	(723)
Amount recognised in the balance sheet	**258**	**342**

(iv) Expense recognised in the statement of profit and loss under employee benefits expense:

	For the year ended 31-03-2026	For the year ended 31-03-2025
Current service cost	99	87
Interest cost	71	61
Interest income	(48)	(37)
Net cost	**122**	**111**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

19. Provisions (Continued)

(v) Remeasurements recognised in the statement of Other Comprehensive Income

	For the year ended 31-03-2026	For the year ended 31-03-2025
Experience adjustment on funded obligation	(8)	109
Return on plan assets, excluding interest income	(13)	(10)
Net gratuity costs in other comprehensive income	**(21)**	**99**

(vi) Plan assets comprises of the following:

	As at 31-03-2026	As at 31-03-2025
Group gratuity fund managed by LIC	884	723

(vii) Summary of actuarial assumptions:

	As at 31-03-2026	As at 31-03-2025
Discount rate	7.00%	6.65%
Salary escalation rate	7.50%	7.50%
Attrition rate		
Upto 30 Years	25.00%	18.00%
31-44 Years	12.00%	12.00%
Above 44 Years	6.00%	6.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/rates available on applicable bonds on the current valuation date.

The salary growth indicated above is the Holding Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotion, past experience and other relevant factors such as demand and supply in employment market etc.

Attrition rate indicated above represents the Holding Company's best estimates of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience etc.

Assumption regarding mortality are based on published statistics and mortality tables by Insurance Regulatory and Development Authority of India.

(viii) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined benefit obligations and current service cost by the amounts shown below:

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The sensitivity analysis of significant actuarial assumptions as at the end of the period is shown below:

	As at 31-03-2026	As at 31-03-2025
A. Defined benefit obligation without effect of projected salary growth	1,142	1,065
Changes in defined benefit obligation due to:		
B. Salary escalation rate		
Salary rate +100 basis points	63	62
Salary rate -100 basis points	(61)	(59)
C. Discount rate		
Discount rate +100 basis points	(73)	(69)
Discount rate -100 basis points	83	79
D. Attrition rate		
Attrition rate +100 basis points	(1)	(2)
Attrition rate -100 basis points	1	3

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

There are no changes in the methods and assumptions used in preparing the sensitivity analysis from the previous year.

(ix) Expected contribution

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the current year and is expected by the Management to be ₹355 (31-03-2025: ₹433).

(x) Maturity profile of defined benefit obligation (valued on undiscounted basis):

	As at 31-03-2026	As at 31-03-2025
Within 1 year	167	161
2 to 5 years	509	442
6 to 10 years	484	459
More than 10 years	872	793

(xi) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (Previous year: 7 years).

(b) Compensated absences:

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year-end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the statement of profit and loss. The actual liability towards leave obligations as at 31-03-2026 is ₹610 (31-03-2024: ₹557). Expense recognised in the consolidated statement of profit and loss under employee benefit expense is ₹157 (31-03-2025: ₹157).

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(c) Provision for defined benefit retirement plan

(i) Reconciliation of the present value of defined benefit obligation

	As at 31-03-2026	As at 31-03-2025
Opening balance	21	28
Past service cost	-	-
Current service cost	2	13
Interest cost	1	2
Benefits paid		-
Remeasurement or Actuarial gain/ (loss) arising from:		
Experience adjustment	2	(11)
Change in demographic assumptions	-	(12)
Change in financial assumptions	-	1
Closing balance	**26**	**21**

(ii) Expense recognised in the statement of profit and loss under employee benefits expense:

	As at 31-03-2026	As at 31-03-2025
Current service cost	2	13
Interest cost	1	2
Net cost	**3**	**15**

(iii) Remeasurements recognised in the statement of Other Comprehensive Income

	As at 31-03-2026	As at 31-03-2025
Experience adjustment on funded obligation	2	(22)
Net gratuity costs in other comprehensive income	2	(22)

(iv) Summary of actuarial assumptions:

	As at 31-03-2026	As at 31-03-2025
Discount rate	7.00%	6.80%
Attrition rate		
Upto 30 Years	25.00%	18.00%
31-44 Years	12.00%	12.00%
Above 44 Years	6.00%	6.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

19. Provisions (Continued)

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/rates available on applicable bonds on the current valuation date.

Attrition rate indicated above represents the Company's best estimates of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience etc.

Assumption regarding mortality are based on published statistics and mortality tables by Insurance Regulatory and Development Authority of India.

(v) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have effected the defined retirement benefit obligations and current service cost by the amounts shown below:

The sensitivity analysis of significant actuarial assumptions as at the end of the period is shown below:

	As at 31-03-2026	As at 31-03-2025
A. Defined benefit obligation without effect of projected salary growth	26	21
Changes in defined benefit obligation due to:		
B. Discount rate		
Discount rate +100 basis points	(1)	(1)
Discount rate -100 basis points	(1)	1
C. Attrition rate		
Attrition rate +100 basis points	(4)	(2)
Attrition rate -100 basis points	2	2

(vi) Maturity profile of defined benefit obligation (valued on undiscounted basis):

	As at 31-03-2026	As at 31-03-2025
Within 1 year	1	0
2 to 5 years	12	9
6 to 10 years	14	16
More than 10 years	9	9

(vii) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (Previous year: 7 years).

(d) Impact of Labour Code implementation

On 21 November 2025, the Government of India notified the four Labour Codes - the Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020, the Occupational Safety, Health and Working Conditions Code 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employement published draft Central Rules and FAQs to enable assessment of the financial impact due to change in regulations. The group has assessed the impact of these changes and believes there is no significant impact on the consolidated financial statements for the year ended 31 March 2026 based on the information to the extent available in accordance with the guidance provided by the Institute of Chartered Accountants of India.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(e) Provision for refund liability

	As at 31-03-2026	As at 31-03-2025
Opening balance	168	362
Created during the year	4,945	168
Utilised during the year	(168)	(362)
Closing balance	**4,945**	**168**

Provision for refund liability represents the estimated liability towards price protection and the expected sales returns based on the Company's internal assessment. The Company follows 'expected value' method under Ind AS 115- Revenue from contracts with customers to determine the provision for refund liability.

(f) Provision for litigations

	As at 31-03-2026	As at 31-03-2025
Opening balance	347	538
Created during the year (included in rates and taxes, refer note 28)	559	50
Utilised during the year	(276)	(241)
Closing balance	**630**	**347**

Provision for litigations represents provision towards potential liability against various ongoing litigations based on the Company's internal assessment.

20. Other liabilities

	As at 31-03-2026	As at 31-03-2025
Current		
Statutory liabilities	315	166
Contract liabilities against payment	880	828
Others	536	229
	1,731	**1,223**

21. Trade payables

	As at 31-03-2026	As at 31-03-2025
Current		
Total outstanding dues of micro enterprises and small enterprises ('MSME') [Refer note below]	278	176
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,815	2,573
	4,093	**2,749**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Ageing of trade payables as at 31-03-2026

Outstanding for following periods from due date of payment	MSME	Others	Disputed dues -MSME	Disputed dues - Others
Unbilled	-	713	-	-
Not due	202	2,137	-	-
Less than 1 year	76	775	-	-
1-2 years	-	52	-	-
2-3 years	-	32	-	-
More than 3 years	-	106	-	-
Total	**278**	**3,815**	**-**	**-**

Ageing of trade payables as at 31-03-2025

Outstanding for following periods from due date of payment	MSME	Others	Disputed dues -MSME	Disputed dues - Others
Unbilled	-	623	-	-
Not due	6	1,206	-	-
Less than 1 year	170	595	-	-
1-2 years	-	42	-	-
2-3 years	-	23	-	-
More than 3 years	-	84	-	-
Total	**176**	**2,573**	**-**	**-**

Note:

On the basis of the information and records available with the Management, the outstanding dues to the Micro enterprises and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) are set out in following disclosure:

Particulars	As at 31-03-2026	As at 31-03-2025
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
Principal amount due to micro enterprises and small enterprises (Includes ₹216 (31-03-2025 : ₹80) shown under capital creditors)	491	256
Interest due on above	-	-
(ii) the amount of interest paid by the buyer in terms of Section 16 of MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
(iv) amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) 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 the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

Information about the Company's exposure to foreign currency and liquidity risks is included in Note 32.

22. Revenue from operations

	For the year ended 31-03-2026	For the year ended 31-03-2025
Revenue from contracts with customers:		
Sale of products*	40,280	43,835
Sale of services	103	270
Job work income	14	11
Total (a)	**40,397**	**44,116**
Other operating revenues:		
Export incentives	140	85
Government incentive schemes	165	64
Scrap sales	33	30
Miscellaneous income	48	-
Total (b)	**386**	**179**
Total revenue from operations (a+b)	**40,783**	**44,295**
*includes profit sharing income arising from marketing arrangements for sale of products.		
Disaggregation of revenue from contracts with customers		
Revenue based on Geography (customer location):		
India	6,525	5,490
USA	23,810	31,487
Rest of the world	10,062	7,139
	40,397	**44,116**
Revenue based on segments/product lines		
Pharmaceuticals	39,015	43,510
Agro Chemicals	1,382	606
	40,397	**44,116**
Timing of revenue recognition:		
Goods transferred at a point in time	40,280	43,835
Services transferred at a point in time	9	99
Services transferred over time	108	182
	40,397	**44,116**
Reconciliation of revenue from contracts with customer with contract price:		
Revenue as per contracted price	46,602	47,459
Adjusted for:		
Sales returns	(3,271)	(1,813)
Trade discounts, price adjustments and rebates	(2,934)	(1,530)
Total Revenue from contract with customers	**40,397**	**44,116**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Contract balances

The following table provides information about trade receivables and contract liabilities from contract with customers:

	For the year ended 31-03-2026	For the year ended 31-03-2025
Trade receivables (including unbilled revenue amounting to ₹1,507 (31 March 2025: ₹8,338) (Refer note 12)	8,812	12,466
Contract liabilities (Refer note 20)	880	828
Refund liability (Refer note 19)	4,945	-

Contract liabilities resulting from advance payments by customers for delivery of goods and services are predominantly recognised as sales within one year. The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as on 31-03-2026 is ₹880 (31-03-2025: ₹828) resulting from advance payments and shown under other current liabilities.

23. Other income

	For the year ended 31-03-2026	For the year ended 31-03-2025
Dividend income on equity instruments at FVOCI - investment held at reporting date	4	33
Gain on sale of investments	24	14
Interest income on financial assets carried at amortised cost	2,315	1,872
Net gain on sale of property, plant and equipment	-	901
Renewable energy (Wind Power) income	35	24
Foreign exchange gain (net)	391	198
Fair value gain on financial assets measured at FVTPL	-	-
Insurance claim received	1	163
Miscellaneous income	206	340
	2,976	**3,545**

24. Cost of materials consumed

	For the year ended 31-03-2026	For the year ended 31-03-2025
Raw materials consumed	5,186	4,879
Packing materials consumed	749	483
	5,935	**5,362**

25. Changes in inventories of finished goods, work-in-progress and stock-in-trade:

	For the year ended 31-03-2026	For the year ended 31-03-2025
Opening stock:		
- Finished goods	2,385	2,592
- Work-in-progress	1,253	1,023
- Stock-in-trade	200	139
	3,838	**3,754**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended 31-03-2026	For the year ended 31-03-2025
Closing stock:		
- Finished goods	3,551	2,385
- Work-in-progress	1,431	1,253
- Stock-in-trade	161	200
	5,143	**3,838**
Currency translation adjustment	(243)	41
	(1,062)	**(125)**

26. Employee benefits expense

	For the year ended 31-03-2026	For the year ended 31-03-2025
Salaries, wages and bonus	6,241	5,372
Contribution to provident fund and other funds (Refer note (a) below)	373	331
Gratuity expense (Refer note 19 (a))	122	111
Staff welfare expenses	136	131
	6,872	**5,945**

Note

(a): Defined contribution plan:

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance schemes which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contribution to provident fund and employee state insurance schemes charged to the statement of profit and loss is ₹345 (31-03-2025: ₹318).

(b) Refer note 19 for details of provision for employee benefits.

27. Finance costs

	For the year ended 31-03-2026	For the year ended 31-03-2025
Interest expense on working capital loans measured at amortised cost	133	107
Interest on Term loan	117	-
Interest on Income tax	-	56
Other borrowing costs	109	69
Interest expenses on lease liabilities	8	7
	367	**239**

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(All amounts in ₹ millions, except share data and where otherwise stated)

28. Other expenses

	For the year ended 31-03-2026	For the year ended 31-03-2025
Consumption of stores and spares	1,028	627
Power and fuel	969	931
Rental charges (Refer note 40)	47	46
Repairs and maintenance:		
- Buildings	103	66
- Plant and equipments	341	310
- Others	1	-
Insurance	346	350
Rates and taxes	1,402	497
Factory maintenance expenses	470	438
Clinical and analytical charges	765	663
Carriage and freight outward	425	256
Donations*	32	510
Corporate social responsibility (CSR) expenses (Refer note 34)	301	159
Communication expenses	30	30
Office maintenance	128	85
Travelling and conveyance	536	496
Legal and professional fees	1,251	1,518
Payment to auditors		
- Statutory audit fees including limited reviews	12	10
- Certifications	3	3
- Reimbursement of expenses	1	1
Product development and legal charges	52	94
Director's sitting fee	6	4
Provision for impairment of receivables and advances, net	78	(22)
Bad debts written off	11	11
Capital work-in-progress written off	-	30
Royalty expense	52	27
Sales promotion expenses and other incentives	1,307	1,108
Research and development expenses	2,044	1,040
Net loss on sale of property, plant and equipment	251	-
Miscellaneous expenses	649	204
	12,641	**9,492**

*Donations includes contributions made to political parties during the year amounting to ₹4 (31-03-2025: ₹363) which is within the limits specified by Section 182(1) of Companies Act, 2013. Below are the political party-wise details of such contributions made:

	For the year ended 31-03-2026	For the year ended 31-03-2025
Bharatiya Janata Party	-	165
Bharat Rashtra Samithi	-	-
Janasena Party	-	15
All India Congress Committee	-	-
Telugu Desam Party	-	70
Yuvajana Sramika Rythu Congress Party	-	100
Communist Party of India (Marxist)	1	10
Communist Party of India	-	2

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(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended 31-03-2026	For the year ended 31-03-2025
CPI Telangana State Council	1	-
CPI AP State Council	1	-
Samruddha Odisha	1	1
	4	**363**

29. Income-tax

(A) Components of Income-tax expenses

	For the year ended 31-03-2026	For the year ended 31-03-2025
(i) Tax expense recognised in profit and loss		
Current tax:		
Current year tax	3,210	4,297
Income-tax for earlier years	(175)	79
Deferred tax charge/(credit) (net):	3,035	4,376
Origination and reversal of temporary differences including Minimum Alternate Tax (MAT) credit recognition (Refer note (E))	(1,846)	(296)
	(1,846)	**(296)**
Tax expense for the year	**1,189**	**4,080**
(ii) Tax recognised in other comprehensive income		
Current tax:		
Tax on disposal of Investment held through FVOCI	(30)	-
Deferred tax (charge)/credit (net):		
- Remeasurement of defined benefit liability/(asset)	(7)	27
- Fair value change on Equity instruments through OCI	(57)	(6)
	(64)	**21**

(B) Reconciliation of effective tax rate

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 34.944% (31-03-2025: 34.944%) and the reported tax expense in the statement profit and loss are as follows:

	For the year ended 31-03-2026	For the year ended 31-03-2025
Profit before tax	**14,908**	**22,914**
Enacted tax rate in India*	34.944%	34.944%
Tax using the Holding Company's domestic tax rate	**5,209**	**8,007**
Tax effect of:		
Expense not deductible for tax purposes	-	92
Additional deduction allowed under Income-tax Act	(2,251)	(3,646)
Effect of change in tax laws and rate in jurisdictions outside India	93	119
Impact of difference in tax rate and change in tax rate	(366)	-
MAT charge/ (utilisation) for the year	729	(32)
Business losses	(23)	(23)
Recognition of MAT credit	(1,380)	(844)

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended 31-03-2026	For the year ended 31-03-2025
Tax pertaining to earlier years	(175)	79
Other timing differences	(647)	328
Income tax expense	**1,189**	**4,080**

*The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 effective from financial year 2026-27, to be subject to tax at a rate of 22% plus applicable surcharge and cess. Accordingly, the Company has re-measured its deferred tax assets on minimum alternate tax credit and other deferred tax assets and liabilities based on the tax rate prescribed in the said Section in accordance with Ind AS 12 - Income Taxes. The impact of such measurement, amounting to INR 1,150 million, has been recognised as a deferred tax asset in the statement of profit and loss during the quarter and year ended 31-03-2026.

(C) Deferred tax assets and liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

	As at 31-03-2026	As at 31-03-2025
Deferred tax assets/(liabilities):		
Minimum Alternate Tax*	2,797	2,146
Business losses	9	56
Trade receivables	940	342
Property, plant and equipment (including right of use assets)	(1,850)	(2,460)
Lease liabilities	8	5
Provision for employee benefits	254	298
Investments	92	79
Others	76	33
	2,326	**499**

* As per Indian tax laws, companies are liable for a Minimum Alternate Tax ("MAT" tax) when current tax, as computed under the provisions of the Income-tax Act, 1961 ("Tax Act"), is determined to be below the MAT tax computed under section 115JB of the Tax Act. The excess of MAT tax over current tax is eligible to be carried forward and set-off in the future against the current tax liabilities over a period of 15 years.

The Group offsets tax assets and liabilities year on year basis only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income-tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred tax assets will be recovered.

(D) Movement in deferred tax assets and liabilities

The details of movement in deferred tax assets and liabilities for the year ended 31 March 2025:

	As at 01-04-2025	Recognised in profit and loss (including exchange differences on translation of foreign operations)	Recognised in OCI	As at 31-03-2026
Deferred tax assets/(liabilities):				
Minimum Alternate Tax	2,146	651	-	2,797
Business losses	56	(47)	-	9
Trade receivables	342	598	-	940

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(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 01-04-2025	Recognised in profit and loss (including exchange differences on translation of foreign operations)	Recognised in OCI	As at 31-03-2026
Property, plant and equipment (including right of use assets)	(2,460)	610	-	(1,850)
Lease liabilities	5	3	-	8
Provision for employee benefits	298	(37)	(7)	254
Investments	79	33	(20)	92
Others	33	35	(2)	76
Net deferred tax assets/(liabilities)	**499**	**1,846**	**(29)**	**2,326**

The details of movement in deferred tax assets and liabilities for the year ended 31 March 2024:

	As at 01-04-2024	Recognised in profit and loss (including exchange differences on translation of foreign operations)	Recognised in OCI	As at 31-03-2025
Deferred tax assets/(liabilities):				
Minimum Alternate Tax	1,302	844	-	2,146
Business losses	91	(36)	-	56
Trade receivables	446	(104)	-	342
Property, plant and equipment (including right of use assets)	(2,087)	(373)	-	(2,460)
Lease liabilities	9	(4)	-	5
Provision for employee benefits	347	(76)	27	298
Investments	54	31	(6)	79
Others	30	3	-	33
Net deferred tax assets/(liabilities)	**192**	**286**	**21**	**499**

(E) Unrecognised deferred tax assets

	As at 31-03-2026	As at 31-03-2025
Unrecognised MAT credit entitlement	1,330	2,564
	1,330	**2,564**

Certain income tax positions relating to R&D expenditure, exempt income, transfer pricing and other adjustments involving areas of judgement and varying interpretations under the tax law. Based on the information currently available and management's assessment of future taxable profits, the Company has recognised a valuation allowance in respect of MAT credit / deferred tax assets to the extend of ₹1,330 as of 31 March 2026. These positions will continue to be monitored and reassessed as facts and circumstances evolve.

In the previous year, the Company did not recognise deferred tax assets of ₹2,564 primarily on MAT credit entitlement, because it was not probable that future taxable profit will be available against which the Company can use the benefits therefrom after taking into consideration the tax holiday units/benefits available including financial projections, business plans

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(All amounts in ₹ millions, except share data and where otherwise stated)

and the availability of sufficient taxable income and certain income tax positions relating to allowability of expenses involving areas of judgement and varying interpretations under the income tax law.

The above MAT credit expires at various dates ranging from Assessment year 2029 through 2039.

(F) The Group has established the comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions and specified domestic transactions entered into with associated enterprises during the financial year and expects such records to be in existence latest by 31 October 2026 as required by law. The management confirms its international transaction are at arms' length price so that aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

30. Earnings per share (EPS)

	For the year ended 31-03-2026	For the year ended 31-03-2025
Earnings:		
Profit for the year attributable to equity shareholders (a)	14,185	18,854
Shares:		
Number of equity shares at the beginning of the year	179,109,870	179,109,870
Weighted average number of equity shares – Basic (b)	**179,109,870**	**179,109,870**
Dilutive effect of potential equity shares	-	-
Weighted average number of equity shares – Diluted (c)	**179,109,870**	**179,109,870**
Earnings per equity share (Face Value of ₹2/- each):		
Basic (in ₹) (a/b)	79.20	105.26
Diluted (in ₹) (a/c)	79.20	105.26

31. Financial instruments - fair values

A. Accounting classification and fair values

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

As at 31-03-2026

Particulars	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
A. Financials assets					
Financial assets measured at FVTOCI					
Non-current investments	7	913	-	-	913
Current investments	7	282	282	-	-
Financial assets measured at amortised cost					
Non-current investments	7	1,819	-	-	-
Current investments	7	5,500	-	-	-
Loans	8	98	-	-	-
Trade receivables	12	8,812	-	-	-
Cash and cash equivalents	13	1,989	-	-	-
Bank balances other than cash and cash equivalents	13	13,520	-	-	-
Other financial assets	9	8,038	-	-	-
		40,970	**282**	**-**	**913**

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(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
B. Financials liabilities					
Financial liabilities measured at amortised cost					
Borrowings	16	6,064	-	-	-
Lease liabilities	17	75	-	-	-
Trade payables	21	4,093	-	-	-
Other financial liabilities	18	1,436	-	-	-
		11,668	**-**	**-**	**-**

As at 31-03-2025

Particulars	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
A. Financials assets					
Financial assets measured at FVTOCI					
Non-current investments	7	747	-	-	747
Current investments	7	597	597	-	-
Financial assets measured at amortised cost					
Non-current investments	7	781	-	-	-
Current investments	7	2,611	-	-	-
Loans	8	94	-	-	-
Trade receivables	12	12,466	-	-	-
Cash and cash equivalents	13	1,200	-	-	-
Bank balances other than cash and cash equivalents	13	20,560	-	-	-
Other financial assets	9	6,028	-	-	-
		45,083	**597**	**-**	**747**
B. Financials liabilities					
Financial liabilities measured at amortised cost					
Borrowings	16	2,731	-	-	-
Lease liabilities	17	63	-	-	-
Trade payables	21	2,749	-	-	-
Other financial liabilities	18	1,192	-	-	-
		6,735	**-**	**-**	**-**

The Group's financial liabilities comprise of borrowings from banks, lease liabilities, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade receivables, other financial assets, cash and cash equivalents and other bank balances that derive directly from its operations. The Group also holds certain investments in other entities.

The fair value of cash and cash equivalents, other bank balances, trade receivables, loans, investment in quoted and unquoted debentures and bonds, borrowings, trade payables, other financial assets and other financial liabilities approximate their carrying amount largely due to the nature of these instruments. The Group's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

B. Measurement of fair values

Valuation technique and significant unobservable inputs

Level 1: The fair value of the quoted investments are based on market price at the reporting date.

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(All amounts in ₹ millions, except share data and where otherwise stated)

Level 3: The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by valuers with the exception of certain investments, where the impact of fair valuation of investment is considered as insignificant and hence carrying value and fair value is considered as same. The valuers have considered market comparable approach to determine the fair value of the respective investments. The relationship of significant unobservable value and fair value is as follows:

the estimated fair value will increase/(decrease) if the expected market multiple increases/(decreases);

Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice versa in FY 2025-26 and no transfers in either direction in FY 2024-25.

Change in level 3 fair values

Particulars	Unquoted FVTOCI Equity investments	
	31-03-2026	31-03-2025
Opening balance	747	959
Additions/(Deletions) during the year	31	(26)
Net change in fair value (recognised in FVTOCI) (unrealised) (unrealised)	135	(186)
Closing balance	**913**	**747**

32. Financial risk management

The Board of Directors of the Group has overall responsibility for the establishment and deployment of risk management framework. The Board of Directors have adopted a Risk Policy, which empowers the management to access and monitor the risk management parameters along with action taken and the same is updated to Board of Directors.

The Group's risk management policies are established to identify and analyse the risks being faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of the Group oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee.

A. Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, loans, trade receivables and trade payables.

i. 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 changes in market interest rates. The Company's entire borrowings carried at amortised cost are variable rate instruments and are subject to fluctuation because of a change in market interest rates. The Company considers the impact of fair value interest rate risk on variable rate borrowings as not material.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The Group's variable rate borrowings are subject to interest rate risk. Below are the details of exposure to fixed rate and variable rate instruments:

	As at 31-03-2026	As at 31-03-2025
Fixed rate instruments		
Financial assets	26,612	28,424
Variable rate instruments		
Financial liabilities (other than lease liability)	7,064	2,731

Sensitivity

Particulars	Impact on profit and loss	
	31-03-2026	31-03-2025
1% increase in interest rate	(71)	(27)
1% decrease in interest rate	71	27

The interest rate sensitivity is based on the closing balance of loans from banks.

ii. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of the Group companies. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

The Group's exposure to foreign currency financial assets and financial liabilities expressed in ₹are as follows:

Financial assets and financial liabilities:

	31-03-2026				
	Trade receivables*	Other bank balances	Borrowings*	Other financial liabilities	Trade payables
- USD	4,231	-	1,694	97	318
- EUR	38	-	32	4	-
- CAD	119	-	-	8	-
- AUD	43	-	-	-	-
- SGD	17	-	-	-	-

	31-03-2025				
	Trade receivables*	Other bank balances	Borrowings*	Other financial liabilities	Trade payables
- USD	10,500	311	1,547	32	60
- EUR	52	-	32	34	8
- CAD	22	-	-	-	-
- CHF	-	-	-	-	0
- AUD	52	-	-	-	-
- SGD	48	-	-	-	23

*Includes bills discounted which are forming part of trade receivables and borrowings amounting to ₹1,726 (31-03-2025: ₹1,579). These are realised amounts and hence, there is no further foreign currency risk involved.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

32. Financial risk management (Continued)

Foreign currency sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

The following table demonstrates the sensitivity to a reasonably possible change in various foreign currencies. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Impact on profit and loss for the year ended		Impact on equity, net of tax	
	31-03-2026	31-03-2025	31-03-2026	31-03-2025
Sensitivity				
₹/USD - Appreciate by 10%	212	917	138	597
₹/EUR - Appreciate by 10%	0	(2)	0	(1)
₹/CAD - Appreciate by 10%	11	2	7	1
₹/CHF - Appreciate by 10%	-	(0)	-	(0)
₹/AUD - Appreciate by 10%	4	5	3	3
₹/SGD - Appreciate by 10%	2	2	1	2
₹/USD - Depreciate by 10%	(212)	(917)	(138)	(597)
₹/EUR - Depreciate by 10%	(0)	2	(0)	1
₹/CAD - Depreciate by 10%	(11)	(2)	(7)	(1)
₹/CHF - Depreciate by 10%	-	0	-	0
₹/AUD - Depreciate by 10%	(4)	(5)	(3)	(3)
₹/SGD - Depreciate by 10%	(2)	(2)	(1)	(2)

B. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows.

	For the year ended 31-03-2026	For the year ended 31-03-2025
Impairment loss on trade receivables and other receivables	11	11

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The maximum exposure to credit risk for trade receivables (Gross) (other than credit impaired) by geographic region is as follows:

	As at 31-03-2026	As at 31-03-2025
India	1,835	1,306
USA	1,249	532
Rest of the world	4,221	2,290
	7,305	**4,128**

The above exposure does not include unbilled revenue of INR 1,507 (31 March 2025: INR 8,338).

The exposure to credit risk and ECLs for trade receivables as at 31-03-2026

	Weighted average loss rate	Gross Carrying amount	Loss allowance	Credit impaired
Unbilled	0%	1,507	-	-
Not due	0%	5,743	5	5
Less than 6 months	4%	1,578	66	66
6 months to 1 year	27%	36	10	10
1-2 years	79%	114	90	90
2-3 years	94%	22	21	21
More than 3 years	55%	9	5	5
Total		**9,010**	**197**	**197**

The exposure to credit risk and ECLs for trade receivables as at 31-03-2025

	Weighted average loss rate	Gross Carrying amount	Loss allowance	Credit impaired
Unbilled	0%	8,338	-	-
Not due	1%	3,524	39	39
Less than 6 months	9%	611	57	57
6 months to 1 year	50%	117	58	58
1-2 years	61%	62	38	38
2-3 years	44%	9	4	4
More than 3 years	50%	2	1	1
Total		**12,663**	**197**	**197**

Movement in allowance for credit losses

	As at 31-03-2026	As at 31-03-2025
Balance at the beginning of the year	197	197
Net remeasurement of loss allowance	11	11
Amount written off during the year	(11)	(11)
Balance at the end of the year	**197**	**197**

As per simplified approach, the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date wherever required.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Other financial assets:

Other financial assets primarily consists of cash and cash equivalents and deposits. Credit risk on cash and cash equivalents and deposits with banks and financial institutions are generally low as the said deposits have been made with the banks and financial institutions who have been assigned high credit rating by international and domestic credit rating agencies. Investments in other entities are strategic investments in the normal course of business of the Group. Loans to related parties are given for business purposes. The Group reassesss the recoverability of loans periodically. Interest recoveries from these loans are regular and there is no interest receipt defaults.

C. Liquidity risk

Liquidity risk is 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 Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entities operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group's principal sources of liquidity are the cash flows generated from operations.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

As at 31-03-2026	Carrying value	Up to 1 year	From 1 to 3 years	More than 3 years	Total
Financial liabilities					
Borrowings	7,064	6,064	1,000	-	7,064
Lease liabilities	75	32	49	379	460
Trade payables	4,093	4,093	-	-	4,093
Other financial liabilities	1,436	1,436	-	-	1,436
Total	**12,668**	**11,625**	**1,049**	**379**	**13,053**

As at 31-03-2025	Carrying value	Up to 1 year	From 1 to 3 years	More than 3 years	Total
Financial liabilities					
Borrowings	2,731	2,731	-	-	2,731
Lease liabilities	63	21	34	388	443
Trade payables	2,749	2,749	-	-	2,749
Other financial liabilities	1,192	1,192	-	-	1,192
Total	**6,735**	**6,693**	**34**	**388**	**7,115**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

33. Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Group may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the equity as shown in the Consolidated Balance Sheet. Currently, the Group primarily monitors its capital structure on the basis of gearing ratio. Management is continuously evolving strategies to optimise the returns and reduce the risks. It includes plans to optimise the financial leverage of the Group.

The capital gearing ratio is summarised as follows:

	As at 31-03-2026	As at 31-03-2025
Total borrowings	7,064	2,731
Less: Cash and cash equivalents	(1,989)	(1,200)
Net debt [A]	**5,075**	**1,531**
Total equity [B]	92,211	76,070
Total capital [C=A+B]	**97,286**	**77,601**
Gearing ratio (%) [A/C]	5%	2%

34. Corporate social responsibility (CSR) expenses

Particulars	For the year ended 31-03-2026	For the year ended 31-03-2025
(a) Amount required to be spent by the Company during the year	293	159
(b) Amount spent during the year:		
(i) Construction or acquistion of any asset	-	-
(ii) On purpose other than (i) above	270	151
(c) Shortfall at the end of the year	23	8
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Refer note 1	Refer note 1
(f) Nature of CSR activities		
Education and infrastructure support, Health, nutrition, water, sanitation and hygiene, Animal Welfare, Support to sports, Rural development, Women empowerment, Arts & Culture	270	151
(g) Details of related party transactions		
(i) NATCO Trust	246	112
(h) Provision made with respect to a liability through contractual obligation	23	8
(i) Details of unspent obligations	23	8
(j) Amount approved by Board of Directors	293	159

Note 1: The unspent obligation as at 31 March 2026 was transferred to CSR account within 30 days of end of the financial year.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

35. Related party disclosures, as per Ind AS 24

(a) Names of the related parties and nature of relationship (to the extent transactions have taken place during the year)

Nature of relationship	Names of the related parties
1. Entities in which Directors have control or have significant influence	Time Cap Pharma Labs Private Limited
	NATCO Trust
2. Associate Company	Adcock Ingram Holdings Limited (w.e.f 11.11.2025)
3. Key management personnel ("KMP")	
Chairman and Managing Director	Mr. V C Nannapaneni (w.e.f 01-04-2024)
Director and Chief Executive Officer ("CEO") and Vice Chairman	Mr. Rajeev Nannapaneni (w.e.f. 01-04-2024)
Wholetime Director	Mr. Potluri Prasad Sivaramakrishna
Wholetime Director	Mr. Lingarao Donthineni
Wholetime Director	Dr. Pavan Bhat (upto. 12-02-2025)
Chief Financial Officer	Mr. S.V.V.N. Appa Rao (upto 12-02-2026)
Chief Financial Officer	Mr. Amit Parekh (w.e.f 13-02-2026)
Company Secretary	Mr. Venkat Ramesh Chekuri
4. Non-Executive Directors and Independent Directors	
Independent Director	Mr. Umamaheshwarrao Naidu Madireddi (upto 30-07-2024)
Independent Director	Mr. Venkateswara Rao Thallapaka (upto 24-08-2024)
Independent Director	Mrs. Leela Digumarti (upto 21-09-2024)
Independent Director	Mr. Agnihotra Dakshina Murty Chavali (w.e.f. 01-04-2024)
Independent Director	Mr.Vijaya Bhaskar Dronadula (w.e.f. 01-04-2024)
Independent Director	Mr.Nitin jain (w.e.f. 12-08-2024)
Independent Director	Mrs.Suma Kantipudi (w.e.f. 12-08-2024)
Independent Director	Mr.Lakshminarayana Bolisetty (w.e.f. 12-08-2024)

For list of promoter shareholders, refer note 14(vi).

(b) Related party transactions during the year (excluding goods and service tax)

	For the year ended	
	31-03-2026	31-03-2025
Time Cap Pharma Labs Private Limited		
Rental expense	8	7
NATCO Trust		
Donations	-	-
Rental income	0	0
Contribution to corporate social responsibility activities	246	112
Adcock Ingram Holdings Ltd,South Africa		
Purchase of Material	3	-
Dividend Income	120	-
Mr. V.C. Nannapaneni		
Managerial remuneration*	98	23
Leave encashment paid	1	1
Gratuity expense	-	-
Compensated absences expense	-	1
Rental expenses	4	3
Commission	50	75

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
	31-03-2026	31-03-2025
Mr. Rajeev Nannapaneni		
Managerial remuneration*	96	21
Leave encashment paid	1	1
Gratuity expense	-	0
Compensated absences expense	-	1
Rental expenses	4	3
Commission	50	75
Mr. Potluri Prasad Sivaramakrishna		
Managerial remuneration*	20	20
Leave encashment paid	1	1
Gratuity expense	0	0
Compensated absences expense	-	1
Mr. Lingarao Donthineni		
Managerial remuneration*	20	39
Leave encashment paid	1	1
Gratuity expense	0	0
Compensated absences expense	-	1
Dr. Pavan Bhat Ganapati		
Managerial remuneration*	-	37
Leave encashment paid	-	4
Gratuity expense	-	0
Compensated absences expense	-	0
Mr. S.V.V.N. Appa Rao		
Remuneration*	45	14
Leave encashment paid	2	0
Gratuity expense	0	0
Compensated absences expense	-	0
Mr. Amit Parekh		
Remuneration*	6	-
Compensated absences expense	0	-
Mr. Venkat Ramesh Chekuri		
Remuneration*	3	3
Gratuity expense	0	0
Compensated absences expense	0	0
Sitting fees		
Mrs. Leela Digumarti	-	0
Mr. Umamaheshwarrao Naidu Madireddi	-	0
Mr. Sreerama Murthy Gubbala		-
Mr. Venkateswara Rao Thallapaka	-	0
Mr. Nitin Jain	1	0
Mrs. Kantipudi Suma	1	0
Mr. D Vijaya Bhaskar	2	1
Mr. A D M Chavali	1	1
Mr. B Lakshminarayana	1	0

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(c) Related party closing balances as on balance sheet date receivable/(payable):

	As at	
	31-03-2026	31-03-2025
Rent Payable		
Mr. V.C. Nannapaneni	(0)	(0)
Mr. Rajeev Nannapaneni	(0)	(0)
Time Cap Pharma Labs Private Limited	(1)	(1)
Trade payable		
Adcock Ingram Holdings Ltd,South Africa	(3)	-
Remuneration payable		
Mr. V.C. Nannapaneni	(0)	(0)
Mr. Rajeev Nannapaneni	(0)	(0)
Mr. Lingarao Donthineni	(1)	(1)
Mr. Potluri Prasad Sivaramakrishna	(1)	(1)
Dr. Pavan Bhat Ganapati	-	(2)
Mr. S.V.N.N. Appa Rao	(20)	(0)
Mr. Amit Parekh	(1)	-
Mr.Venkat Ramesh Chekuri	(0)	(0)
Commission payable		
Mr. V.C. Nannapaneni	(50)	(75)
Mr. Rajeev Nannapaneni	(50)	(75)

*The aforesaid amount does not include amounts in respect of payment of insurance costs as the payments are made for the Company as a whole.

The Holding Company during the year have declared a total interim dividend of INR 5 per share for INR 2 per share which is paid to the related parties in accordance with their shareholding as of the record date. For Promoter shareholder list, refer note 14(vi). Further, the Company has not brought back any shares from the related parties during the current or previous year.

36.Segment reporting

Basis for segmentation

The operating segments are reported in a manner consistent with the internal reporting provided to the Company's Chief Operating Decision Maker (CODM). The CODM has been identified as the Chief Executive Officer (CEO) of the Group who reviews the internal management reports prepared based on an aggregation of financial information for all entities in the Group on a periodic basis.

The following summary describes the operations in each of the Group's reportable segments:

Pharmaceuticals - Manufacturing and selling of bulk drugs, finished dosage formulations

Agro Chemicals - Manufacturing and selling of Agro chemicals

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Information about reportable segments

	For the year ended 31-03-2026	For the year ended 31-03-2025
I. Segment revenue		
a. Pharmaceuticals	39,401	43,689
b. Agro chemicals	1,382	606
	40,783	**44,295**
Add: Unallocated	-	-
Total revenue from operations	40,783	44,295
II. Segment results		
a. Pharmaceuticals	15,473	24,611
b. Agro chemicals*	(198)	(1,458)
Total segment result	15,275	23,153
Less:		
a. Finance cost	(367)	(239)
b. Net unallocated (income)/expenditure	-	-
Total profit before tax	**14,908**	**22,914**

*During the year ended 31-03-2025, an impairment loss of INR 500 million is recognised on the property, plant and equipment of Agro Chemical Segment.

	For the year ended 31-03-2026	For the year ended 31-03-2025
III. Segment assets		
a. Pharmaceuticals	96,759	53,994
b. Agro chemicals	3,022	2,712
Total segment assets	**99,781**	**56,706**
Add: Unallocated	10,956	29,602
Total assets	**110,737**	**86,308**
IV. Segment liabilities		
a. Pharmaceuticals	14,913	6,320
b. Agro chemicals	520	314
Total segment liabilities	**15,433**	**6,634**
Add: Unallocated	3,093	3,551
Total liabilities	**18,526**	**10,185**

Unallocated assets includes investments and tax assets. Unallocated liabilities includes general borrowings and tax liabilities.

Geography-wise details of the Group's revenues from external customers and its non-current assets (other than financial instruments) and revenue from major customers are given below:

i. Revenue from operations:

	For the year ended 31-03-2026	For the year ended 31-03-2025
India	6,912	5,669
USA	23,810	31,487
Rest of the world	10,061	7,139
	40,783	**44,295**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

ii. Non-current assets*

	As at 31-03-2026	As at 31-03-2025
India	29,094	27,429
USA	1,610	1,586
Rest of the world	260	219
	30,964	**29,234**

*Non-current assets for this purpose consist of property, plant and equipment, goodwill, Capital work-in-progress and intangible assets.

iii. Major customers

The Company has one customer who contributed more than 10% of the Company's total revenue during the current year and previous year. The revenue from such major customer(s) during the year is ₹16,872 (31-03-2025: ₹26,862) and the outstanding amount as at 31-03-2026 amounts to ₹205 (31-03-2025: ₹7,308).

37. Contingent liabilities and commitments

(a) Commitments

	As at 31-03-2026	As at 31-03-2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (including comitment towards purchase of property, plant and equipment, net of advances amounting to ₹418 (31-03-2025: ₹200)	997	379
Pending export obligation under Export promotion capital goods Scheme	53	15
Other commitment (refer Note - 1 below)	11	83

Note 1:

The Company has an outstanding commitment of investment for an amount of ₹11 in Meenakshi Real Estate Fund as at 31-03-206 and ₹83 in Cellogen Therapeutics Pvt Ltd as at 31-03-2025.

(b) Contingent liabilities

(i) Matters under appeals with tax authorities:

	As at 31-03-2026	As at 31-03-2025
Disputed Income tax liabilities	24	24
Disputed Indirect tax liabilities	6	6

The Group is contesting the above demand including few land related claims and the management believes that its position will likely be upheld in the appellate process and no expenses has been accrued in the consolidated financial statements for the demand raised/ show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the Group's consolidated financial statements. Pending resolution of the aforesaid respective proceedings, it is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(ii) The Group is contesting certain process and product patent infringement cases filed against it by the innovators in the ordinary course of business. A few of these cases pertain to products already launched by the Group in the market. These cases are pending before different authorities / courts and most of the claims involve complex issues. The outcome from these claims are uncertain due to a number of factors involved in legal trial such as stage of the proceedings and the overall length and extent of pre-trial discovery; the entitlement of the parties to an action to appeal a decision; clarity as to theories of liability; damages and governing law; uncertainties in timing of litigation; and the possible need for further legal proceedings to establish the appropriate amount of damages, if any. Often, these issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss is difficult to ascertain. Consequently, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the proceedings. Further, at present, the management does not expect such liabilities to be significant.

(iii) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

38 The Group does not have any long-term contracts including derivatives for which there are any material foreseeable losses.

39 Capital work-in-progress

a) Movement in Capital work-in-progress

	As at	
	31-03-2026	31-03-2025
Opening balance	2,254	1,373
Costs incurred towards construction activity	2,842	2,809
Capitalised during the year	(2,159)	(1,928)
Closing balance	**2,937**	**2,254**

b) Capital work-in-progress ageing schedule

As at 31-03-2026

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	2,014	840	72	11	2,937

As at 31-03-2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (*)	2,041	190	10	13	2,254

(*) Project execution plans are assessed on an annual basis and all the projects are executed as per rolling annual plan.

There are no project whose completion is overdue or has exceeded its cost compared to its original plan.

No projects have been temporarily suspended as at 31-03-2026 and 31-03-2025.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

40 Leases

Movement in lease liabilities

	As at	
	31-03-2026	31-03-2025
Balance at the beginning	**63**	**80**
Additions	28	8
Deletions	-	-
Interest expenses	8	8
Repayment of principal and interest on lease liabilities	(24)	(34)
Foreign exchange changes	(0)	1
Balance at the end	**75**	**63**

Undiscounted contractual maturities of lease liabilities

	As at	
	31-03-2026	31-03-2025
Less than one year	47	21
One to five years	52	47
More than five years	374	375
	473	**443**

As at balance sheet date, the Group is not exposed to future cash flows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Group 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.

The Group has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Group has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Group has incurred following expenses relating to short-term leases for which the recognition exemption has been applied (Refer note 28).

Rental expense for short-term leases

	For the year ended	
	31-03-2026	31-03-2025
Expense relating to short-term leases (refer note 28)	47	46
	47	**46**

Amounts recognised in the consolidated statement of profit and loss

	For the year ended	
	31-03-2026	31-03-2025
Depreciation on right of use asset	39	32
Interest expense	8	8
	47	**40**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Amounts recognised in the consolidated statement of cash flows

	For the year ended	
	31-03-2026	31-03-2025
Payment of lease liabilities	(24)	(34)
Expense relating to short-term leases (refer note 28)	(47)	(46)
	(71)	**(80)**

Details of Right of use of Assets

	Land	Buildings	Vehicles	Total
A. Cost or Deemed cost (Gross carrying amount)				
As at 01-04-2024	355	139	9	503
Additions	-	6	-	6
Disposals	-	(30)	(9)	(39)
Exchange differences on translation of foreign operations	-	(5)	-	(5)
Balance as at 31-03-2025	**355**	**110**	**-**	**465**
Additions	-	46	-	46
Disposals	-	-	-	-
Exchange differences on translation of foreign operations	-	20	-	20
Balance as at 31-03-2026	**355**	**176**	**-**	**531**
B. Accumulated depreciation				
As at 01-04-2024	27	17	8	52
Charge for the year	3	28	1	32
Disposals	-	(30)	(9)	(39)
Exchange differences on translation of foreign operations	-	(2)	-	(2)
Balance as at 31-03-2025	**30**	**13**	**-**	**43**
Charge for the year	19	20	-	39
Disposals	-	-	-	-
Exchange differences on translation of foreign operations	-	8	-	8
Balance as at 31-03-2026	**49**	**41**	**-**	**90**
C. Net carrying amounts (A-B)				
As at 31-03-2025	**325**	**97**	**-**	**422**
As at 31-03-2026	**306**	**135**	**-**	**441**

41 Investment accounted for using equity method

	As at 31-03-2026	As at 31-03-2025
Carrying amount of associates		
Unquoted		
51,643,319 (31-03-2024: 1,74,397) Ordinary shares of ZAR 10,000 ZAR each, in Adcock Ingram Holdings Ltd,South Africa*	22,757	-
	22,757	**-**

*Associate company of NATCO Pharma South Africa Proprietary Limited with effect from 11-11-2025.

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

On 23 July 2025, the Board of Directors approved the acquisition of 35.75% equity stake (51,643,319 shares) (including the existing stake of 0.79%) in Adcock Ingram Holdings Limited, South Africa ('Adcock'), through a wholly owned subsidiary, NATCO Pharma South Africa Proprietary Limited. The acquisition was completed on 11 November 2025 at a consideration of ZAR 3,873 million (INR 19,912 million) and incurred a transaction costs amounting to INR 879 million. The group has performed a purchase price allocation to determine the fair values of identifiable assets and liabilities acquired. Accordingly, identified a goodwill of ZAR 1,182 million (INR 6,494 million) included in the carrying amount of the investment in associate. Adcock has been accounted for as an associate under the pharmaceuticals segment. For the year ended 31 March 2026, the Group recognised a share of profit of INR 466 million (net of tax) and a share of other comprehensive loss of INR 47 million.

The group interest in Adcock Ingram Holdings Limited is accounted for using the equity method in the consolidated financial stateements. Summarised financial information of the associate company based on the financials statements and reconcillation with the carrying amount of investment in consolidated financial statement are set out below

(i) Details of interest held by the Company

Name	Principle Activities	County of incorporation	% Equity Interest
Adcock Ingram Holdings Limited	Manufacturing and distribution of pharmaceutical products	South Africa	35.75%

(ii) Summarised balance sheet

	As at 31-03-2026
	100%
Non-current assets	17,847
Current assets	32,205
Non-current liabilities	1,759
Current liabilities	16,288
Net Assets (100%)	**32,005**
Group' share of net assets	35.75%
Group Share of Net assets	**11,442**
Add: Impact of fair valuation of net assets acquired (net of deferred tax)	3,926
Add: Goodwill on acquisition	6,494
Add: Transactions costs	879
Add: FCTR	16
Carrying amount of interest in associate	22,757

(iii) Summarised statement of profit and loss

	As at 31-03-2026
Revenue for the period (100%)	7,168
Profit for the period (100%)	1,894
Other comprehensive income for the period (100%)	(132)
Total comprehensive income for the period (100%)	**1,762**
Group's share of profit for the period	**677**
Amortisation of the fair valuation gain (net of deferred tax)	(211)
Net Group's share of profit for the period	**466**
Group's share of other comprehensive income for the period	**(47)**
Dividend received	**369**

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

42 A. Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III, Division III to the Companies Act, 2013.

For the year ended 31-03-2026

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated OCI	Amount	As a % of consolidated TCI	Amount
Parent company								
NATCO Pharma Limited	93%	85,525	90%	12,812	9%	268	77%	13,080
Foreign subsidiaries								
NATCO Pharma Inc.	3%	2,509	-1%	(78)	0%	-	0%	(78)
NATCO Lifesciences Philippines Inc.	0%	72	0%	-2	0%	-	0%	-2
Time Cap Overseas Limited	2%	2,003	4%	569	0%	-	3%	569
NATCO Pharma (Canada), Inc.	6%	5,367	4%	534	5%	135	4%	669
NATCO Pharma Asia Pte. Ltd.	0%	287	0%	18	0%	-	0%	18
NATCO Pharma Australia PTY Ltd.	0%	-	0%	(2)	0%	-	0%	(2)
NATCO Pharma UK Limited	0%	107	0%	3	0%	-	0%	3
PT.NATCO Lotus Farma	0%	84	0%	(31)	0%	0	0%	(31)
NATCO Pharma Colombia S.A.S	0%	1	0%	(7)	0%	-	0%	(7)
NATCO Pharma South Africa Pty Ltd	24%	22,147	6%	827	-2%	-47	5%	780
NATCO Crop Health Sciences Ltd	0%	89	0%	-	0%		0%	-
Non-controlling interests								
PT.NATCO Lotus Farma	0%	-	0%	-	0%	-	0%	-
Adjustment arising out of consolidation	-28%	(25,980)	-3%	-458	88%	2,517	12%	2,059
Total	**100%**	**92,211**	**100%**	**14,185**	**100%**	**2,874**	**100%**	**17,059**

For the year ended 31-03-2025

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated OCI	Amount	As a % of consolidated TCI	Amount
Parent company								
NATCO Pharma Limited	96%	73,339	96%	18,054	5%	(13)	99%	18,491
Foreign subsidiaries								
NATCO Pharma Inc.	3%	2,234	-3%	(484)	0%	-	-3%	(484)
NATCO Lifesciences Philippines Inc.	0%	66	0%	2	0%	-	0%	2
Time Cap Overseas Limited	1%	1,138	1%	169	0%	-	1%	169
NATCO Pharma (Canada), Inc.	5%	4,127	2%	650	9%	(21)	3%	629
NATCO Pharma Asia Pte. Ltd.	0%	234	0%	30	0%	-	0%	30
NATCO Pharma Australia PTY Ltd.	0%	1	0%	(2)	0%	-	0%	(2)
NATCO Pharma UK Limited	0%	92	0%	3	0%	-	0%	3
PT.NATCO Lotus Farma	0%	108	0%	(21)			0%	(21)
NATCO Pharma Colombia S.A.S	0%	4	0%	(1)			0%	(1)

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated OCI	Amount	As a % of consolidated TCI	Amount
Non-controlling interests								
PT.NATCO Lotus Farma	0%	(53)	0%	(20)	0%	-	0%	(20)
Adjustment arising out of consolidation	-7%	(5,220)	2%	454	86%	(206)	-1%	(202)
Total	**100%**	**76,070**	**99%**	**18,834**	**100%**	**(240)**	**100%**	**18,594**

B. Non-controlling interest ('NCI')

The Group has only one subsidiary (PT.NATCO Lotus Farma) with non-controlling interest. Group believes that the non-controlling interests are not material to the consolidated financial statements as on 31 March 2025. During the current year, the Group has acquired NCI.

43 Other Statutory Information

(i) The Holding Company has not entered into transactions with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956. Below are the details of shareholding for shares held by Struck off company as per Company's records for the year ended 31 March 2025:

Name of struck off Company	Nature of transactions with struck-off Company	Balances as at 31 March 2025	Relationship with the Struck off company
Nitin Commercials Private Limited	Shares held by struck off company	600 Shares	Shareholder
Dreams Broking Pvt Ltd	Shares held by struck off company	5 Shares	Shareholder
Suraj Enterprise Pvt Ltd	Shares held by struck off company	184 Shares	Shareholder
Puneet Securities Private Limited	Shares held by struck off company	100 Shares	Shareholder
Vaishak Shares Limited	Shares held by struck off company	5 Shares	Shareholder
Robert Resources Limited	Shares held by struck off company	600 Shares	Shareholder
Rishiroop Polymers Private Limited	Shares held by struck off company	1,400 Shares	Shareholder

(ii) 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 Group 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 lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

(iii) 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:

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

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

Notes to Consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(iv) The aggregate amount of revenue expenditure incurred by the Group during the year on Research and Development and shown in the respective heads of account is ₹3,894 (31-03-2025:₹3,235).

(v) The Group does not have any transaction which is not recorded in the books of account and has been surrendered or disclosed as income during the current year or previous year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

(vi) There are no proceeding initiated or pending against the Company as at 31-03-2026 and as at 31-03-2025 under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

(vii) The Group is not declared as a wilful defaulter by any bank or financial institution or other lenders.

(viii) Compliance with number of layers of companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

(ix) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(x) The Group has not traded or invested in Crypto currency or Virtual currency during the current year and previous year.

(xi) There are no loans or advances in the nature of loans that are granted to promoters, directors, KMP's and related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person, that are:

a) repayable on demand; or

b) without specifying any terms or period of repayment

44 The Board of Directors at its meeting held on 24-03-2026, approved (subject to the requisite and other approvals) a Scheme of Arrangement (Demerger) involving the demerger of its Agro Chemical business undertaking into NATCO Crop Health Sciences Limited (newly incorporated wholly owned subsidiary). The Scheme of Arrangement has been filed with relevant regulatory authorities for approval.

As per our Report of even date attached
for **B S R and Co**
Chartered Accountants
ICAI Firm Registration No. 128510W

Amit Kumar Bajaj
Partner
Membership Number: 218685

Place: Hyderabad
Date: 29 May 2026

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

V C Nannapaneni
Chairman and Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964

Amit Parekh
Chief Financial Officer

Place: Hyderabad
Date: 29 May 2026

Independent Assurance Statement

to the Management of Natco Pharma Limited

Natco Pharma Limited (Corporate Identity Number L24230TG1981PLC003201, hereafter referred to as 'Natco' or 'the Company') has commissioned DNV Business Assurance India Private Limited ('DNV', 'us' or 'we') to undertake an independent assurance of the Company's disclosures in Business Responsibility and Sustainability Report (hereafter referred as 'BRSR'). The disclosures include BRSR Core as per Annexure 17A of SEBI's Master Circular for BRSR (Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026, dated January 30, 2026).

Our Conclusion:

On the basis of the assessment undertaken, nothing has come to our attention to suggest the BRSR Core Key Performance Indicators (KPIs) under 9 ESG attributes (as listed in Annexure I of this statement) do not properly adhere to the reporting requirements outlined in the Industry Standard on Reporting of BRSR Core.

Scope of Work and Boundary

The scope of our engagement includes independent assurance of 'BRSR Core' – limited level of assurance for the Financial Year (FY) 2025-26. Boundary covers standalone basis reporting of BRSR Core KPIs of the Company's operations that fall under the direct operational control of the Company's Legal structure as indicated in 'Reporting Boundary' section in BRSR.

Based on the agreed scope with the Company, the boundary of limited assurance covers the operations of Natco across all India locations, unless otherwise specified by the Company in BRSR.

Reporting Criteria and Standards

The disclosures have been prepared by Natco in reference to:

- Industry Standard on Reporting of BRSR Core, Circular No.: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated Dec 20, 2024.
- BRSR Core (Annexure 17A) as per Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026, "Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities", dated January 30, 2026.
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Our competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019-Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e. FY 2025-26, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

Assurance Methodology/Standard

This assurance engagement has been carried out in accordance with DNV's VeriSustainTM protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. Apart from DNV's VerisustainTM protocol (v6.0), DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements to evaluate disclosures with respect to Greenhouse gases.

Basis of our conclusion

As part of our independent assurance engagement, we have evaluated the reported environmental, social, and governance (ESG) information against the agreed criteria. Throughout the engagement, we exercised professional judgment and maintained professional skepticism to ensure the integrity and reliability of our conclusions.

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected Natco sites. We carried out the following activities:

- Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes.
- Our focus included disclosures, management processes, and key ESG metrics specified under the BRSR Core. The Industry Standard on Reporting of BRSR Core used a basis of limited level of assurance.
- Understanding the key systems, processes and controls for collecting, managing and reporting the Key Performance Indicators (KPIs) of BRSR Core. Understand and test, on a sample basis to evaluate adherence to the reporting principles.
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders.
- DNV audit team conducted on-site audits for 2 plant locations as mentioned in Annexure I of the statement. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustainTM Protocol, V6.0 for limited level of assurance for the disclosures.

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV's opinion on specific BRSR Core Attribute 8 on "Number of days of accounts payable", Attribute 9 "Open-ness of business" and all sections of BRSR indicators where currency or INR has been applied relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.

- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

Responsibility of the Company

Natco has the sole responsibility for the preparation of the BRSR Report and is responsible for all information disclosed for BRSR Core 9 ESG attributes in BRSR Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. Natco is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance Statement

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than company for DNV's work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the Company. DNV does not accept any liability if this assurance statement is used for any purpose other than its intended use, nor does it accept liability to any third party in respect of this assurance statement.

For DNV Business Assurance India Private Limited,

Chandan Sarkar
Lead Verifier

Anjana Sharma
Assurance Reviewer

Verifiers: Mohanakrishnan R, Suraiya Rahman
04/09/2026, Bengaluru, India.

Annexure I – BRSR Core Verified Data

Sr. No.	Attribute	Parameter	Unit of Measures	Verified Value
1	Green-house gas (GHG) footprint	Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Total emissions (tCO2e)	24593.76
		Total Scope 2 emissions (Break-up of the GHG (CO2e) into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) (market-based)	Total emissions (tCO2e)	43795.29
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover	tCO2e/Total Revenue from Operations (in Million rupees)	1.677
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	tCO2e / Total Revenue from Operations adjusted for PPP (in Million rupees)	34.108
2	Water footprint	Total water consumption	KL	314944.861
		Water consumption intensity	KL / Total Revenue from Operations (in Million rupees)	7.722
			KL / Total Revenue from Operations adjusted for PPP (in Million rupees)	157.075
		Water Discharge by destination and levels of Treatment	KL	23804.53
3	Energy footprint	Total energy consumed	Giga Joules (GJ)	606884.63
		% of energy consumed from renewable sources	In % terms	18.47%
		Energy intensity	GJ/ Total Revenue from Operations (in Million rupees)	14.88
			GJ/ Total Revenue from Operations adjusted for PPP (in Million rupees)	302.68
4	Embracing circularity - details related to waste management by the entity	Plastic waste (A)	MT	78.264
		E-waste (B)	MT	4.030
		Bio-medical waste (C)	MT	27.726
		Construction and demolition waste (D)	MT	0.000
		Battery waste (E)	MT	18.447
		Radioactive waste (F)	MT	0.000
		Other Hazardous waste (G)	MT	5913.294
		Total Non-Hazardous Waste (H)	MT	1938.363
		Total (A+B + C + D + E + F + G+ H)	MT	7980.125
		Waste intensity per rupee of turnover from operations	Metric tonnes /Total Revenue from Operations (in Million rupees)	0.196
		Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	Total waste generated in MT/ Revenue from operations adjusted for PPP (in Million rupees)	3.980
		For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations	MT	7475.112
			Intensity (MT of Waste Recycled Recovered /Total Waste generated)	0.937
		For each category of waste generated, total waste disposed by nature of disposal method	MT	425.958
			Intensity (MT of Waste disposed / Total Waste generated)	0.053

Sr. No.	Attribute	Parameter	Unit of Measures	Verified Value
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	In % terms	0.56%
		Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Number of Permanent Disabilities	0
			Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	0
			No. of fatalities	0
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	6.54%
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	0
			Complaints on POSH as a % of female employees / workers	0
			Complaints on POSH upheld	-
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases –and from within India	Directly sourced from MSMEs/ small producers (In % terms – As % of total purchases by value)	25.05%
			Sourced directly from within India	83.38%
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost (these data points will be updated)	Location	
			Rural	5.34%
			Semi-urban	59.08%
			Urban	0.00%
			Metropolitan	35.58%
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	0
		Number of days of accounts payable	(Accounts payable *365) / Cost of goods/services procured	160 days
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Purchases from trading houses as % of total purchases	11.05%
			Number of trading houses where purchases are made from	126
			Purchases from top 10 trading houses as % of total purchases from trading houses	53.27%
			Sales to dealers / distributors as % of total sales	14.49%
			Number of dealers / distributors to whom sales are made	3646
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	17.70%
			Share of RPTs (as respective %age) in	
			Purchases	0%
			Sales	6.41%
			Loans & advances	0.93%
			Investments	79.42%

* Total location-based emissions are 47,133.94 tCO2e. Total biogenic emissions are 3,449.95 tCO2e.

** For GHG intensity calculations, Natco has used Scope 2 market-based emissions.

Annexure II – Sites selected for audits

S.no	Site	Location
1.	Corporate Office (remote)	Natco House (HO), Hyderabad
2.	India Sites (onsite)	• Kothur (formulations | R&D)
		• Mekaguda (Chemical)
3.	India Sites (remote)	• Nagarjuna Saga (Parenterals)
		• Vizag (formulations)

GRI Content Index

Statement of use	NATCO Pharma Limited has reported the information cited in this GRI content index for the period April 1, 2025 to March 31, 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	Report Reference Title Section/ Subsection	Page no.
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us; About the Report; BRSR Section A Q1–8	p.4; p.2; p.152
	2-2 Entities included in the organization's sustainability reporting	About the Report – Reporting Scope, Boundaries and Period; BRSR Section A Q13; Board's Report – Subsidiaries/Associate(s)	p.2; p.152; p.113
	2-3 Reporting period, frequency and contact point	About the Report; BRSR Section A Q9, Q12	p.2; p.152
	2-4 Restatements of information	Human Capital – turnover rate note ("data reconsidered for FY 2024-25 and FY 2023-24"); BRSR Principle 8 Essential Indicator 5 note on revised area classification	p.61; p.197
	2-5 External assurance	About the Report – Assurance; BRSR Section A Q14–15; Independent Auditor's Reports, Standalone / Consolidated	p.2; p.152; p.183 onwards; p.206 onwards; p.286 onwards
	2-6 Activities, value chain and other business relationships	About Us; BRSR Section A II (Products and Services); Management Discussion and Analysis	p.4–5; p.153; p.99–110
	2-7 Employees	BRSR Section A IV, Q20; Human Capital – workforce composition	p.154; p.60–61
	2-8 Workers who are not employees	BRSR Section A IV, Q20 ("Workers"/"Other than Permanent" categories); BRSR Principle 3, Q1(b) worker well-being data	p.154; p.174
	2-9 Governance structure and composition	Governance; Board of Directors; Corporate Governance Report – Composition of the Board	p.41; p.42–43; p.132–133
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report – Nomination and Remuneration Committee; BRSR Section B Annexure P1 (Nomination and Remuneration Policy web-link)	p.135–136; p.163
	2-11 Chair of the highest governance body	Board of Directors, (Sri V. C. Nannapaneni, Chairman and Managing Director)	p.42
	2-12 Role of the highest governance body in overseeing the management of impacts	BRSR Section B, Q7–9 (Director's statement on ESG oversight; ESG Committee); Corporate Governance Report – ESG Committee	p.162; p.132
	2-13 Delegation of responsibility for managing impacts	BRSR Section B, Q9 (Board-level ESG Committee and ESG Core Committee); Corporate Governance Report – Committees of the Board	p.162; p.132
	2-14 Role of the highest governance body in sustainability reporting	BRSR Section B, Q7 (Director's statement on the BRSR)	p.162

GRI STANDARD	DISCLOSURE	Report Reference Title Section/ Subsection	Page no.
	2-15 Conflicts of interest	Corporate Governance Report – Nomination and Remuneration Committee; BRSR Principle 1 Leadership Indicator Q2; Essential Indicator Q6 (conflict of interest complaints: nil)	p.136; p.171; p.169
	2-16 Communication of critical concerns	Board's Report – Vigil Mechanism/Whistle Blower Policy; Corporate Governance Report – Audit Committee access	p.116; p.135
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report – Familiarisation Programme for Independent Directors; BRSR Principle 1 Essential Indicator Q1 (Board training coverage: 100%)	p.133; p.167
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report – Board Evaluation	p.135
	2-19 Remuneration policies	Corporate Governance Report – Remuneration of Directors; Annexure V to the Board's Report	p.137–138; p.129
	2-20 Process to determine remuneration	Corporate Governance Report; Annexure V to the Board's Report	p.137–138; p.129
	2-21 Annual total compensation ratio	Annexure V to the Board's Report – ratio of remuneration to median employee remuneration	p.129
	2-22 Statement on sustainable development strategy	Chairman and CEO's Message; BRSR Section B, Q7 (Director's statement on ESG strategy)	p.14; p.162
	2-23 Policy commitments	Governance – Our Policies; BRSR Section B Annexure (policy list by principle)	p.40; p.163–164
	2-24 Embedding policy commitments	BRSR Section B, Q1–4 (policy translated into procedures; extends to value chain partners; certifications adopted)	p.161
	2-25 Processes to remediate negative impacts	BRSR Principle 1 Essential Indicator Q7 (corrective action – not applicable, no incidents); grievance mechanisms described under each BRSR Principle (e.g. P3 Q6; P5 Q5; P8 Q3; P9 Q1)	p.169; p.176; p.184–185; p.197; p.200
	2-26 Mechanisms for seeking advice and raising concerns	Board's Report – Vigil Mechanism/Whistle Blower Policy; BRSR various grievance redressal mechanisms (P3 Q6; P4; P5 Q4–5; P8 Q3; P9 Q1)	p.116; p.176; p.184–185; p.197; p.200
	2-27 Compliance with laws and regulations	BRSR Section A VII Q25 (stakeholder grievances); BRSR Principle 1 Essential Indicator Q2 (fines/penalties: nil); Board's Report – SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/ REGULATORS	p.155; p.168; p.117
	2-28 Membership associations	BRSR Principle 7 Essential Indicator Q1	p.196
	2-29 Approach to stakeholder engagement	Stakeholder Engagement; BRSR Principle 4	p.32–35; p.180-183
	2-30 Collective bargaining agreements	BRSR Principle 3 Essential Indicator Q7 – union/association membership	p.176

GRI STANDARD	DISCLOSURE	Report Reference Title Section/ Subsection	Page no.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment; BRSR Section A Q26 (Material Responsible Business Conduct issues)	p.24–25; p.156–161
	3-2 List of material topics	Materiality Assessment; BRSR Section A Q26 material issues table	p.24–25; p.156–161
	3-3 Management of material topics	Materiality Assessment; BRSR Section A Q26 (Material Responsible Business Conduct issues)	p.24–25; p. 28-31; p.156–161
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss		
	101-2 Management of biodiversity impacts		
	101-3 Access and benefit-sharing		
	101-4 Identification of biodiversity impacts		
	101-5 Locations with biodiversity impacts		
	101-6 Direct drivers of biodiversity loss		
	101-7 Changes to the state of biodiversity		
	101-8 Ecosystem services		
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	BRSR Section B Note 1 – renewable energy and carbon neutrality targets (35% RE by 2035; carbon neutral by 2050)	p.165
	102-2 Climate change adaptation plan	BRSR Section B Note 1 – water neutrality and RE targets; Natural Capital – Water Conservation	p.165–166; p.92–95
	102-3 Just transition	—	—
	102-4 GHG emissions reduction targets and progress	BRSR Section B Note 1, (RE mix, carbon neutrality target); Natural Capital – GHG Emissions	p.165–166; p.88–91
	102-5 Scope 1 GHG emissions	Natural Capital – Scope 1 GHG Emissions; BRSR Principle 6 Essential Indicator Q7 (Scope 1: 24,569.30 tCO2e)	p.87; p.189-190
	102-6 Scope 2 GHG emissions	Natural Capital – Scope 2 GHG Emissions; BRSR Principle 6 Essential Indicator Q7 (Scope 2: 43,795.29 tCO2e)	p.88; p.189-190
	102-7 Scope 3 GHG emissions	—	—
	102-8 GHG emissions intensity	Natural Capital; BRSR Principle 6 Essential Indicator Q7 (Scope 1+2 intensity: 1.672 tCO2e/₹ Mn turnover)	p.88; p.189-190
	102-9 GHG removals in the value chain	—	—
	102-10 Carbon credits	—	—
GRI 103: Energy 2025	103-1 Energy policies and commitments	BRSR Section B Note 1 – RE component targets; Governance – Our Policies (EHS Policy)	p.165–166; p.40
	103-2 Energy consumption and self-generation within the organization	Natural Capital – Energy Consumption; BRSR Principle 6 Essential Indicator Q1	p.84–86; p.187

GRI STANDARD	DISCLOSURE	Report Reference Title Section/ Subsection	Page no.
	103-3 Upstream and downstream energy consumption	—	—
	103-4 Energy intensity	Natural Capital; BRSR Principle 6 Essential Indicator Q1	p.88; p.187
	103-5 Reduction in energy consumption	Natural Capital – Renewable Energy Integration initiatives; BRSR Principle 6 Leadership Indicator Q4	p.85–88; p.193-194
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital – Total Revenue, EBITDA; Board's Report – Dividend; Financial Statements – Standalone & Consolidated	p.48; p.111; p.204 onwards
	201-2 Financial implications and other risks and opportunities due to climate change	Corporate Overview – Risk Management (Climate risk); BRSR Section A Q26, Material Issue #3 Climate Change	p.39; p.157
	201-3 Defined benefit plan obligations and other retirement plans	Financial Statements – Notes to Accounts (Employee Benefit Obligations – gratuity, PF), Standalone and Consolidated sections	p.231-232; p.315-316
	201-4 Financial assistance received from government	Financial Statements – Notes to Accounts, Other Income (Export incentives; Government incentive schemes), Standalone p.259, Consolidated	p.255; p.259; p.344
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	BRSR Principle 5 Essential Indicator Q2 (100% of employees/workers paid at or above minimum wage)	p.184
	202-2 Proportion of senior management hired from the local community	—	—
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social and Relationship Capital; BRSR Principle 8 Leadership Indicator Q6 (CSR project beneficiaries table)	p.74–81; p.199
	203-2 Significant indirect economic impacts	Social and Relationship Capital – Community Welfare initiatives (health, education); BRSR Principle 8 Leadership Indicator Q6 (CSR project beneficiaries table)	p.74–82; p.197–199
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	BRSR Principle 8 Essential Indicator Q4	p.197
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	BRSR Principle 1 Essential Indicator Q4	p.169
	205-2 Communication and training about anti-corruption policies and procedures	BRSR Principle 1 Essential Indicator Q1	p.167–168
	205-3 Confirmed incidents of corruption and actions taken	BRSR Principle 1 Essential Indicator Q5	p.169
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BRSR Principle 7 Essential Indicator Q2 (corrective action on anti-competitive conduct – Not Applicable, no adverse orders)	p.196

GRI STANDARD	DISCLOSURE	Report Reference Title Section/ Subsection	Page no.
GRI 207: Tax 2019	207-1 Approach to tax	—	—
	207-2 Tax governance, control, and risk management	—	—
	207-3 Stakeholder engagement and management of concerns related to tax	—	—
	207-4 Country-by-country reporting	—	—
GRI 301: Materials 2016	301-1 Materials used by weight or volume	—	—
	301-2 Recycled input materials used	—	—
	301-3 Reclaimed products and their packaging materials	—	—
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital – Energy Consumption; BRSR Principle 6 Essential Indicator Q1	p.84-86; p.187
	302-2 Energy consumption outside of the organization	—	—
	302-3 Energy intensity	Natural Capital; BRSR Principle 6 Essential Indicator Q1	p.86; p.187
	302-4 Reduction of energy consumption	Natural Capital – Renewable Energy Integration; BRSR Section B Note 1 targets	p.85–88; p.165–166
	302-5 Reductions in energy requirements of products and services	—	—
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	BRSR Principle 6 Essential Indicator Q3–5; Natural Capital	p.188–189; p.92–95
	303-2 Management of water discharge-related impacts	BRSR Principle 6 Essential Indicator Q5	p.189
	303-3 Water withdrawal	Natural Capital – Water Withdrawal (KL); BRSR Principle 6 Essential Indicator Q3	p.92–93; p.188
	303-4 Water discharge	Natural Capital – Water Discharge (KL); BRSR Principle 6 Essential Indicator Q4	p.95; p.188–189
	303-5 Water consumption	BRSR Principle 6 Essential Indicator Q3; Natural Capital	p.188; p.92–95
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital – Scope 1 GHG Emissions; BRSR Principle 6 Essential Indicator Q7	p.87; p.189-190
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital – Scope 2 GHG Emissions; BRSR Principle 6 Essential Indicator Q7	p.88; p.189-190
	305-3 Other indirect (Scope 3) GHG emissions	—	—
	305-4 GHG emissions intensity	Natural Capital; BRSR Principle 6 Essential Indicator Q7	p.87–89; p.189-190
	305-5 Reduction of GHG emissions	Natural Capital – GHG reduction initiatives; BRSR Principle 6 Essential Indicator Q8	p.90–91; p.190
	305-6 Emissions of ozone-depleting substances (ODS)	—	—
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital – Improving Operational Air Quality Performance; BRSR Principle 6 Essential Indicator Q6	p.91; p.189
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Natural Capital – Waste Generated (MT); BRSR Principle 6 Essential Indicator Q9	p.97; p.190-191

GRI STANDARD	DISCLOSURE	Report Reference Title Section/ Subsection	Page no.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital – Waste Generated (MT); BRSR Principle 6 Essential Indicator Q9–10	p.97; p.190-191
	306-2 Management of significant waste-related impacts	BRSR Principle 6 Essential Indicator Q10 (waste management practices)	p.191
	306-3 Waste generated	Natural Capital – Waste Generated (MT); BRSR Principle 6 Essential Indicator Q9	p.97; p.192
	306-4 Waste diverted from disposal	BRSR Principle 6 Essential Indicator Q9	p.190-191
	306-5 Waste directed to disposal	BRSR Principle 6 Essential Indicator Q9	p.190-191
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	—	—
	308-2 Negative environmental impacts in the supply chain and actions taken	—	—
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital – New Hires (904) and turnover rate; BRSR Section A Q22 (turnover rate 3-year trend by gender)	p.61–64; p.154
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR Principle 3 Essential Indicator Q1(a)–(b)	p.174
	401-3 Parental leave	BRSR Principle 3 Essential Indicator Q5; Human Capital – Employee Well-being and Benefits	p.175; p.66–67
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	—	—
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	BRSR Principle 3 Essential Indicator Q10(a)	p.177
	403-2 Hazard identification, risk assessment, and incident investigation	BRSR Principle 3 Essential Indicator Q10(b)	p.177–178
	403-3 Occupational health services	BRSR Principle 3 Essential Indicator Q10(d)	p.178
	403-4 Worker participation, consultation, and communication on occupational health and safety	BRSR Principle 3 Essential Indicator Q10(c)	p.178–179
	403-5 Worker training on occupational health and safety	BRSR Principle 3 Essential Indicator Q8; Human Capital – OHS training	p.176; p.67
	403-6 Promotion of worker health	BRSR Principle 3 Essential Indicator Q1(a)–(b), Q10(d)	p.174, 178
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	BRSR Principle 3 Essential Indicator Q12	p.178–179
	403-8 Workers covered by an occupational health and safety management system	BRSR Principle 3 Essential Indicator Q10(a)	p.177
	403-9 Work-related injuries	Human Capital – Occupational Health and Safety; BRSR Principle 3 Essential Indicator Q11	p.67; p.178
	403-10 Work-related ill health	BRSR Principle 3 Essential Indicator Q11	p.178

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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	BRSR Section B Note 1, Principle 9 target; Human Capital – Training programmes	p.166; p.62–65
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital – Nurturing the Leaders of Tomorrow; BRSR Principle 3 Essential Indicator Q8	p.62; p.176
	404-3 Percentage of employees receiving regular performance and career development reviews	BRSR Principle 3 Essential Indicator Q9	p.177
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	BRSR Section A Q21; Corporate Governance Report – Board Composition; BRSR Section A Q20	p.132–133; p.154
	405-2 Ratio of basic salary and remuneration of women to men	BRSR Principle 5 Essential Indicator Q3(a)	p.184
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR Principle 5 Essential Indicator Q6	p.185
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	"BRSR Principle 3 Essential Indicator Q7; BRSR Principle 5 Leadership Indicator Q4 "	p.176; p.186
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	BRSR Principle 5 Essential Indicator Q6, Q10; Leadership Indicator Q4	p.185–186; p.186
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	BRSR Principle 5 Essential Indicator Q6, Q10; Leadership Indicator Q4	p.185–186; p.186
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	—	—
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	—	—
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital; BRSR Principle 8 Essential Indicator Q6; Annexure IV to Board's Report (CSR Activities)	p.74–81; p.199; p.127–128
	413-2 Operations with significant actual and potential negative impacts on local communities	BRSR Principle 8 Essential Indicator Q1–2	p.197
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	BRSR Principle 5 Leadership Indicator Q4	p.186
	414-2 Negative social impacts in the supply chain and actions taken	—	—
GRI 415: Public Policy 2016	415-1 Political contributions	Notes to Standalone Financial Statements	262
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	BRSR Principle 9 Essential Indicator Q2 (100% of turnover carries safe & responsible usage information); Section - B Q4 (ISO 14001:2015, regulatory approvals from USFDA, WHO-GMP etc.)	p.200; p.161

GRI STANDARD	DISCLOSURE	Report Reference Title Section/ Subsection	Page no.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	BRSR Principle 9 Essential Indicator Q4	p.201
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	BRSR Principle 9 Essential Indicator Q2	p.200
	417-2 Incidents of non-compliance concerning product and service information and labeling	BRSR Principle 9 Essential Indicator Q3	p.200
	417-3 Incidents of non-compliance concerning marketing communications	BRSR Principle 9 Essential Indicator Q3; Essential Indicator Q6	p.200; p.201
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR Principle 9 Essential Indicator Q3, Q7	p.200–201

Notice to Members

Notice is hereby given that the 43rd Annual General Meeting of the members of the Company will be held on Wednesday, the 30th day of September, 2026 at 11.00 a.m. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. **Adoption of audited Annual Financial Statements for the Financial Year 2025-26**

   To receive, consider and adopt the Audited Financial Statements, both on Standalone and Consolidated basis of the Company for the Financial Year ended March 31, 2026, together with the reports of Board of Directors, and the Auditors and other reports thereon.

2. **To confirm three interim dividends aggregating to ₹5.00 per share paid on equity shares during the Financial Year 2025-26 as dividend for the FY 2025-26.**

3. **Re-appointment of Sri P.S.R.K. Prasad (DIN: 07011140) as a Director liable to retire by rotation**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Sri P.S.R.K. Prasad (DIN: 07011140) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable for retirement by rotation."

SPECIAL BUSINESS:

4. **Ratification of remuneration of Cost Auditors**

   To consider and, if thought fit, with or without modifications, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 ('Act') and Rule 6 of the Companies (Cost Records and Audit) Rules, 2014 and all other applicable provisions, if any, of the Act and the rules made thereunder, as amended from time to time, the remuneration of ₹5,00,000/- (Rupees five lakhs only) and taxes as applicable plus out of pocket expenses proposed to be paid to M/s. S.S. Zanwar & Associates (Firm Registration No.100283) Cost Auditors who were re-appointed by the Board of Directors of the Company to conduct the Cost Audit for the financial year ending March 31, 2027, be and is hereby ratified.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit, necessary and delegate to any Director(s) or Company Secretary or any other Officer(s) of the Company for obtaining permissions and approvals, if any, in this connection."

5. **To approve raising of funds in one or more tranches, by issuance of securities by way of preferential issue, rights issue, private placement (including qualified institutions placement(s)) and/or any combination thereof or any other method as may be permitted under applicable law for an amount not exceeding ₹ 2,000 crores**

   To consider, and if thought fit, to pass the following resolution as a Special Resolution:

   "**RESOLVED THAT** pursuant to Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof ("Companies Act") and in accordance with the provisions of the memorandum of association and articles of association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, Foreign Exchange Management (Debt Instruments) Rules, 2019, as amended, the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (collectively, the ("Stock Exchanges") where the equity shares of face value of ₹ 2/- each of the Company are listed (such equity shares, the "Equity Shares"); and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India ("GoI"), Ministry of Corporate Affairs ("MCA"), the Registrar of Companies,

Hyderabad at Telangana ("RoC"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Stock Exchanges, and such other statutory / regulatory authorities), and subject to all approvals, permissions, consents, and / or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, GoI, or any other concerned statutory / regulatory authority, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and / or sanctions by any of the aforesaid authorities, which will be considered by the board of directors of the Company ("Board", which term shall include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this resolution), approval of the members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised to offer, issue, and allot (including with provisions for reservations on firm and / or competitive basis, or such part of the issue and for such categories of persons as may be permitted) any instrument or security, including Equity Shares, fully / partly convertible debentures, global depository receipts, American depository receipts, foreign currency convertible bonds, non—convertible debentures, warrants (collectively, the "Securities"), or any combination of Securities, to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non—resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the SEBI ICDR Regulations ("QIBs") / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, with or without a green shoe option, to raise funds for an aggregate consideration of ("Issue") up to ₹ 2,000 crores (Rupees two thousand crores), through a public issue, rights issue, preferential allotment, or a private placement (including one or more qualified institutions placements ("QIP") in accordance with the applicable provisions of the Companies Act and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, to be subscribed to in Indian and / or any foreign currency by all eligible investors, through the issuance of an offer document / letter / circular / placement document, as permitted under applicable laws and regulations, at such price (including at a discount or premium to market price or prices permitted under applicable law), in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine to whom the offer, issue and allotment of Securities shall be made to the exclusion of others (including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company); making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investors and / or in respect of different Securities; number of securities to be issued; face value; number of Equity Shares to be issued and allotted on conversion / redemption / extinguishment of debt(s); rights attached to the warrants; period of conversion; fixing of record date; and / or book closure dates subject to the applicable laws considering the prevailing market conditions and / or other relevant factors, and wherever necessary, in consultation with the book running lead managers and / or other advisors appointed.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing the Securities shall be date of the meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the members of the Company, in terms of applicable law; in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board.

RESOLVED FURTHER THAT in case of an issue and allotment of Securities by way of a QIP in terms of the SEBI ICDR Regulations:

(i) the allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution by the members of the Company;

(ii) the Equity Shares to be offered, issued, and allotted shall be subject to the provisions of the memorandum of association and articles of association of the Company and shall rank pari passu inter-se in all respects including with respect to entitlement to dividend and voting rights, with the existing Equity Shares;

(iii) no partly paid-up Equity Shares or other Securities shall be issued / allotted;

(iv) the issuance of the Securities by way of the QIP shall be made at such price that is not less than

the price determined in accordance with the pricing formula provided under Regulation 176(1) of the SEBI ICDR Regulations ("QIP Floor Price"), and the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, as may be applicable. However, the Board, at its absolute discretion, may offer a discount of not more than 5% or such other percentage as may be permitted under applicable law on the QIP Floor Price;

(v) the number and / or price of the Securities, or the underlying Equity Shares issued on conversion, shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalisation of profits or reserves, or any other capital or corporate restructuring;

(vi) no single allottee shall be allotted more than 50% of the issue size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations;

(vii) no allotment shall be made, either directly or indirectly, to any QIB who is a promoter of the Company or any person related to the promoters of the Company;

(viii) the securities allotted pursuant to the QIP shall not be sold by the allottee for a period of one year from the date of allotment, except on a recognised stock exchange;

(ix) the tenure of any convertible or exchangeable Securities issued through the QIP shall not exceed 60 months from the date of allotment; and

(x) the Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution.

RESOLVED FURTHER THAT, without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per prevailing practices and regulations in the capital markets and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed to.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to do such acts, deeds, and things, in its absolute discretion, as it deems necessary or desirable in connection with offering, issuing, and allotting the Securities, and to give effect to these resolutions, including, without limitation, the following:

(a) offer, issue and allot all / any of the Securities, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion;

(b) determining the terms and conditions of the issuance, including among other things, (a) terms for issuance of additional Securities and for disposal of Securities which are not subscribed to by issuing them to banks / financial institutions / mutual funds or otherwise, (b) terms as are provided in domestic offerings of this nature, and (c) terms and conditions in connection with payment of interest, dividend, voting rights, premium and redemption or early redemption, conversion into Equity Shares, pricing, variation of the price or period of conversion, and / or finalizing the objects of the issuance and the monitoring of the same;

(c) approve, finalise, and execute any preliminary as well as final offer document (including, among other things, any draft offer document, offering circular, registration statement, prospectus, placement document, private placement offer letter, letter of offer, and / or other letter or circular), and to approve and finalise any bid cum application form, abridged letter of offer, notices, including any advertisements and other documents or any term sheets or any other ancillary documents in this regard;

(d) decide the form, terms and timing of the issue(s) / offering(s), Securities to be issued and allotted, class of investors to whom Securities are to be offered, issued and allotted, number of Equity Shares to be issued and allotted in each tranche;

(e) issue and allot such number of Equity Shares, as may be required to be issued and allotted, upon conversion of any Securities, or as may be necessary in accordance with the terms of the issuance all such Equity Shares ranking pari passu with the existing Equity Shares in all respects;

(f) approve, finalise, execute, and amend agreements and documents, including, any number of powers of attorney, lock-up letters, agreements in connection with the creation of any security, and agreements in connection with the appointment of

any intermediaries and / or advisors, (including for underwriting, marketing, listing, trading, appointment of lead manager(s) / merchant banker(s), legal counsel, depository(ies), banker(s), advisor(s), registrar(s), trustee(s), and other intermediaries as required), and to pay any fees, commission, costs, charges and other expenses in connection therewith;

(g) provide such declarations, affidavits, certificates, consents and / or authorities as required from time to time;

(h) seek any consents and approvals, including, among others, the consent from the Company's lenders, customers, vendors, parties with whom the Company has entered into agreements, and from concerned statutory and regulatory authorities;

(i) file requisite documents with the SEBI, Stock Exchanges, the GoI, the RBI, and any other statutory and / or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;

(j) seeking the listing of the Securities on any stock exchange(s), submitting the listing application to such stock exchange(s) and taking all actions that may be necessary in connection with obtaining such listing approvals (both in-principle and final listing and trading approvals);

(k) open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board;

(l) approving the issue price and finalize allocation and the basis of allotment of the Securities on the basis of the bids / applications and oversubscription thereof as received, where applicable;

(m) acceptance and appropriation of the proceeds of the issue of the Securities;

(n) affix the common seal of the Company, as required, on any agreement, undertaking, deed or other document, in the presence of any one or more of the Directors of the Company or any one or more of the officers of the Company as may be authorised by the Board in accordance with the memorandum of association and articles of association of the Company;

(o) further authorise and empower any Committee and / or Director(s) and / or Officer(s) of the Company, to execute and deliver, for and on behalf of the Company, any and all other documents or instruments and doing or causing to be done any and all acts or things as the Committee / Director(s) / Officer(s) may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing, or in connection with the issuance of Securities, and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Committee / Director(s) / Officer(s) shall be conclusive evidence of the authority of the Committee / Director(s) / Officer(s) and the Company in doing so; and

(p) do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or settle any issues, questions, difficulties or doubts that may arise in regard to or in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions and the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

RESOLVED FURTHER THAT subject to applicable law, the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any director(s), committee(s), the Company Secretary and Compliance Officer or any executive(s), officer(s) or representative(s) of the Company or to any other person, to do all such acts, deeds, matters and things and to execute such documents and writings as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT a certified true copy of the foregoing resolutions be furnished, as may be required, under the signature of any Director or the Company Secretary and Compliance Officer of the Company.

By Order of the Board
For **NATCO Pharma Limited**

Venkat Ramesh Chekuri
Company Secretary and
Compliance Officer
(ACS: 41964)

Date: 14 August, 2026
Place: Hyderabad

NOTES

1. Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No.20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 2/2022 dated May 5, 2022, General Circular No. 10/2022 dated December 28, 2022, General Circular No.9/2023 dated September 25, 2023, General Circular No. 09/2024 dated September 19, 2024, General Circular No. 03/2025 dated 22nd September, 2025 (collectively referred to as "MCA Circulars") and circular issued by SEBI vide circular no.SEBI/HO/CFD/CFDPoD-2/P/CIR/2024/133 dated October 3, 2024 permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The detailed procedure for e-voting and participation in the meeting through VC/OAVM is as per Note No. 14 and available at the Company's website www.natcopharma.co.in.

2. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of special business is annexed hereto.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate/Institutional Members are encouraged to attend and vote in the AGM held through VC/OAVM. Hence Corporate/Institutional Members authorizing their representative to attend and vote at the AGM through VC/OAVM on its behalf are requested to send a duly certified copy of the Board resolution/power of attorney to the Company or upload the same on VC/OAVM portal/ e-voting portal.

5. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 43rd AGM along with the Annual Report for the FY 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the 43rd AGM Notice and Annual Report for the FY 2025-26 will also be available on the Company's website i.e., www.natcopharma.co.in, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL https:/www.evoting.nsdl.com.

6. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. Members holding shares in physical form are requested to notify any change in their address or bank mandates immediately to the Registrars and Share Transfer Agents M/s. Venture Capital and Corporate Investments Private Ltd., Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57, Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally – 500 032, Telangana, India and members holding shares in electronic form are requested to notify any change in mailing address or bank mandates to their respective Depository Participants with whom they are maintaining their demat accounts.

8. Members holding shares in electronic form may note that the Bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, if any. The Company or its Registrars and Share Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any changes of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants.

9. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ depositories (in case of shares held in demat mode).

   A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investor.relations@vccipl.com.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investor.relations@vccipl.com.

10. The Statutory Registers and the relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the meeting.

11. Members who have not registered their e-mail addresses so far are requested to register their email addresses for receiving all communications including Annual Report, Notices, Circulars, etc., from the Company in electronic mode.

12. In case of Joint Holders attending the meeting, only such Joint Holder who is first in the order of names will be entitled to vote.

13. Members who wish to claim Dividends, which remain unclaimed within a period of seven (7) years are requested to either correspond with the Secretarial Department at the Company's Registered Office or the Company's Registrars and Share Transfer Agents i.e., M/s. Venture Capital and Corporate Investments Private Limited. Members are requested to note that dividends not en-cashed or claimed within seven (7) years and 30 days from the date of declaration of the Dividend, will be transferred to the Investor Education and Protection Fund (IEPF) Authority of Government of India as per Section 124(5) of the Companies Act, 2013. In view of this, members are advised to send the un-encashed dividend warrants to the Company or to the Registrars and Share Transfer Agents for issue of new warrants/ demand drafts. The Unpaid Dividend, Shares transferred to IEPF Authority are updated in our website http://www.natcopharma.co.in/

14. Instructions for e-voting and joining the AGM are as follows:

    a) In compliance with the provisions of Sections 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), MCA Circulars and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-voting Facility provided by Listed Entities, the Company has provided the facility of remote e-voting to all Members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL to provide remote e-voting facility to its Members.

    b) Voting rights of the Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on Friday, September 25, 2026 ("Cut-off date"). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by remote e-voting. A person who is not a Member as on the Cut-off date should treat this AGM Notice for information purposes only. The remote e-voting period commences from 9.00 a.m. (IST) on Sunday, the September 27, 2026 and ends at 5.00 p.m. (IST) on Tuesday, the September 29, 2026. The e-voting module shall be disabled by NSDL thereafter. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently.

    c) The Company has appointed CS Kiran Kumar Bodla (CP No. 15876), Proprietor, M/s. BK & Associates, Practicing Company Secretaries, Hyderabad as Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

    d) The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

    e) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e., Friday, 25 September, 2026, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice

and holding shares as of the cut-off date i.e., Friday, 25 September, 2026 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to IDeAS Portal wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user name and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at respective website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542/43

B) Login Method for e-Voting for shareholders and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

1) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

4) Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

5) Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6) Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

7) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

(a) Click on "Forgot User Details/ Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

(b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

(d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

8) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

9) Now, you will have to click on "Login" button.

10) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1) After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2) Select "EVEN" of Company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3) Now you are ready for e-voting as the voting page opens.

4) Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5) Upon confirmation, the message "Vote cast successfully" will be displayed.

6) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc. with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mail_bka@yahoo.com with a copy marked to evoting@nsdl.co.in

   Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022-4886 7000 or send a request to Mr.Amit Vishal evoting@nsdl.com

4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investors@natcopharma.co.in on or before Friday, the September 25, 2026 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

5. Members are requested to note the following contact details for addressing e-voting related grievances:

   Venkat Ramesh Chekuri
   Company Secretary & Compliance Officer
   NATCO Pharma Limited
   NATCO House, Road No. 2
   Banjara Hills, Hyderabad-500034
   Telangana State, India.
   Phone No.: 040-23547532
   E-mail: investors@natcopharma.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@natcopharma.co.in

2. In case shares are held in demat mode, please provide DP ID-CL ID (16 digits DP ID + CL ID or 16 digits beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@natcopharma.co.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1(A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

Instructions for members for e-Voting on the day of the AGM are as under:

The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for attending the AGM through VC/OAVM are as under:

Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

Members are encouraged to join the Meeting through Laptops for better experience.

Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

15. Brief profile of the Director(s) seeking re-appointment at the Annual General Meeting:

Name of the Director	Sri P.S.R.K. Prasad
Category	Director & Executive Vice President (Corporate Engineering Services)
DIN	07011140
Birth date and Age	January 15, 1958 and 68 years
Qualifications	B.E. Mechanical Engineering
Past experience(s)	Worked with (a) Ahmedabad Textile Industry's Research Association (b) Mehta Inorganic & Marine Chemical Industries (c) Coromandel Fertilisers Limited (d) Shah Ceramics Limited (e) Stiles India Limited (f) Saudi Ceramic Company., Riyadh
Date of first appointment as Director(s)	November 12, 2014
Nature of Appointment	Re-appointment pursuant to Director liable to retire by rotation
Tenure of Appointment	NA
Percentage of shares held	0.02%
No. of board meetings attended out of 9 (Nine) meetings held	8 (Eight)
Remuneration drawn by the Director(s) for Financial Year 2025-26	₹ 21.73 million
Relationship with other directors or KMP of the Company	NA
Directorship in other Companies	Natco Crop Health Sciences Limited
Membership/ Chairmanship of Committees of other Boards	Nil

Explanatory statement

(Pursuant to Section 102(1) of the Companies Act, 2013)

ITEM NO. 4

Ratification of remuneration of Cost Auditors

The Board, on the recommendation of the Audit Committee, had approved the re-appointment and remuneration of M/s. S.S. Zanwar & Associates, (Firm Registration No. 100283) Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2027.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rules made thereunder, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought by passing the said Ordinary Resolution ratifying the remuneration payable to Cost Auditors to conduct Cost Audit for the financial year ending March 31, 2027.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the said item of business.

The Board accordingly, recommends the resolution as set out in Item No.4 of the notice for approval of the member by way of ordinary resolution.

ITEM NO. 5

To approve raising of funds in one or more tranches, by issuance of securities by way of preferential issue, rights issue, private placement (including qualified institutions placement(s)) and/or any combination thereof or any other method as may be permitted under applicable law for an amount not exceeding ₹ 2,000 crores

The Company anticipates growth opportunities in its existing operations and continues to evaluate various avenues for organic and inorganic growth. Towards this, the Company continues to require capital for achieving such growth and expansion. Accordingly, subject to compliance with applicable law, the Company proposes to raise capital for the purposes of funding the long term growth of its existing businesses; financing other long term capital, working capital, and general corporate requirements; pre-payment and / or repayment of loans; and / or Capital expenditure requirement, Research & Development expenditure, as may be permissible under applicable law and approved by the Board of Directors of the Company.

In line with the above, the Company proposes to raise funds through the issuance of any instrument or security, including equity shares, fully / partly convertible debentures, global depository receipts, American depository receipts, foreign currency convertible bonds, non—convertible debentures, warrants (collectively, the "Securities"), or any combination of Securities, for an aggregate consideration of up to ₹ 2,000 crores (Rupees two thousand crores only) to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non—resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations, and such qualified institutional buyers, the "QIBs") / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company, for cash, in one or more tranches, without or without a green shoe option, through a public issue, preferential allotment, private placement, or a rights issue (including one or more qualified institutions placements ("QIP") in accordance with the applicable provisions of the Companies Act (as defined hereinafter) and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, in terms of Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof ("Companies Act") and in accordance with the provisions of the memorandum of association and articles of association of the Company, the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, The Foreign Exchange Management (Debt Instruments) Rules, 2019, as amended, the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal trade, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; the listing agreements entered into by the Company with the stock exchanges where the equity shares of face value of ₹2/- each of the Company are listed ("Stock Exchanges", and such equity shares, the "Equity Shares"); and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India,

Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India ("SEBI"), Stock Exchanges, and such other statutory / regulatory authorities). Accordingly, the Board of Directors of the Company ("Board", which term shall include any Committee which the Board may have constituted or may constitute to exercise its powers, including the powers conferred by this resolution), at its meeting held on August 14, 2026, subject to the approval of the members of the Company, approved the raising of funds at such price and on such terms and conditions as may be deemed appropriate by the Board at its sole and absolute discretion, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager(s) and / or other advisor(s) appointed in relation to issuance of Securities, in accordance with applicable laws, and subject to regulatory approvals (as necessary).

The resolution proposed is an enabling resolution and the exact price, proportion, and timing of the issue of the Securities in one or more tranches and the remaining detailed terms and conditions for the issuance of Securities will be decided by the Board, in accordance with the SEBI ICDR Regulations, in consultation with book running lead manager(s) and / or other advisor(s) appointed in relation to the issuance of Securities and such other authorities and agencies as may be required to be consulted by the Company. Further, the Company is yet to identify the investor(s) and decide the quantum of Equity Shares to be issued to them. Hence, the details of the proposed allottees, percentage of their post – issue shareholding and the shareholding pattern of the Company are not provided. Accordingly, the Board may, in its discretion, adopt one or more of the mechanisms for raising of funds to meet is objectives as stated in the paragraphs above without the need for fresh approval from the members of the Company. The proposal, therefore, seeks to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of the issuance.

The relevant date for the purpose of pricing the Securities shall be date of the meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the members of the Company, in terms of applicable law; in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board.

In the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the special resolution by the members of the Company. Further, the Equity Shares offered, issued, and allotted by the Company pursuant to any such QIP in terms of the resolution would be subject to the provisions of the memorandum of association and articles of association of the Company and shall rank, in all respects, pari passu with the existing Equity Shares of the Company.

The pricing of the Securities shall be determined in accordance with the relevant provisions of the SEBI ICDR Regulations, the Companies Act, and any other applicable law. The resolution enables the Board, in accordance with applicable law, to offer a discount of not more than 5% or such percentage as may be permitted under applicable law on the price determined in accordance with the SEBI ICDR Regulations.

The price at which the Securities are allotted pursuant to the Issue shall not be less than the price determined in accordance with the SEBI ICDR Regulations, whether through the book building mechanism in the case of a public offer or through the prescribed pricing formula, as the case may be. The Securities allotted pursuant to a QIP shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognised stock exchange.

The Securities allotted as above would be listed on the Stock Exchanges. As and when the Board takes a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The approval of the members is being sought to enable the Board to decide on the issuance of Securities, to the extent and in the manner stated in the special resolution, as set out in item no. 5 of this notice, without the need for any fresh approval from the members of the Company in this regard.

None of the Directors or Key Managerial Personnel of the Company, or their respective relatives, is concerned or interested, financially or otherwise, in said resolution except to the extent of their respective shareholding, if any, in the Company. The Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of any Equity Shares that may be subscribed by the companies or institutions of which they are directors or members..

The proposed issuance of Securities is in the interest of the Company and the Board recommends the resolution set out at item no. 5 of the notice for the approval of the members as a special resolution.

By Order of the Board
For **NATCO Pharma Limited**

Venkat Ramesh Chekuri
Company Secretary and
Compliance Officer
(ACS: 41964)

Date: 14 August, 2026
Place: Hyderabad

Notes

Notes

NATCO PHARMA LIMITED

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