Natco Pharma Limited
Regd. Off. : 'NATCO HOUSE', Road No. 2, Banjara Hills, Hyderabad - 500034.
Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243
CIN : L24230TG1981PLC003201, www.natcopharma.co.in

29th August, 2025

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 42nd Annual General Meeting (AGM) for the FY 2024-25 as required under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform you that the 42nd Annual General Meeting (AGM) of the Company is scheduled to be held on Thursday, September 25, 2025, 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 42nd Annual General Meeting (AGM) for the financial year 2024- 25.

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

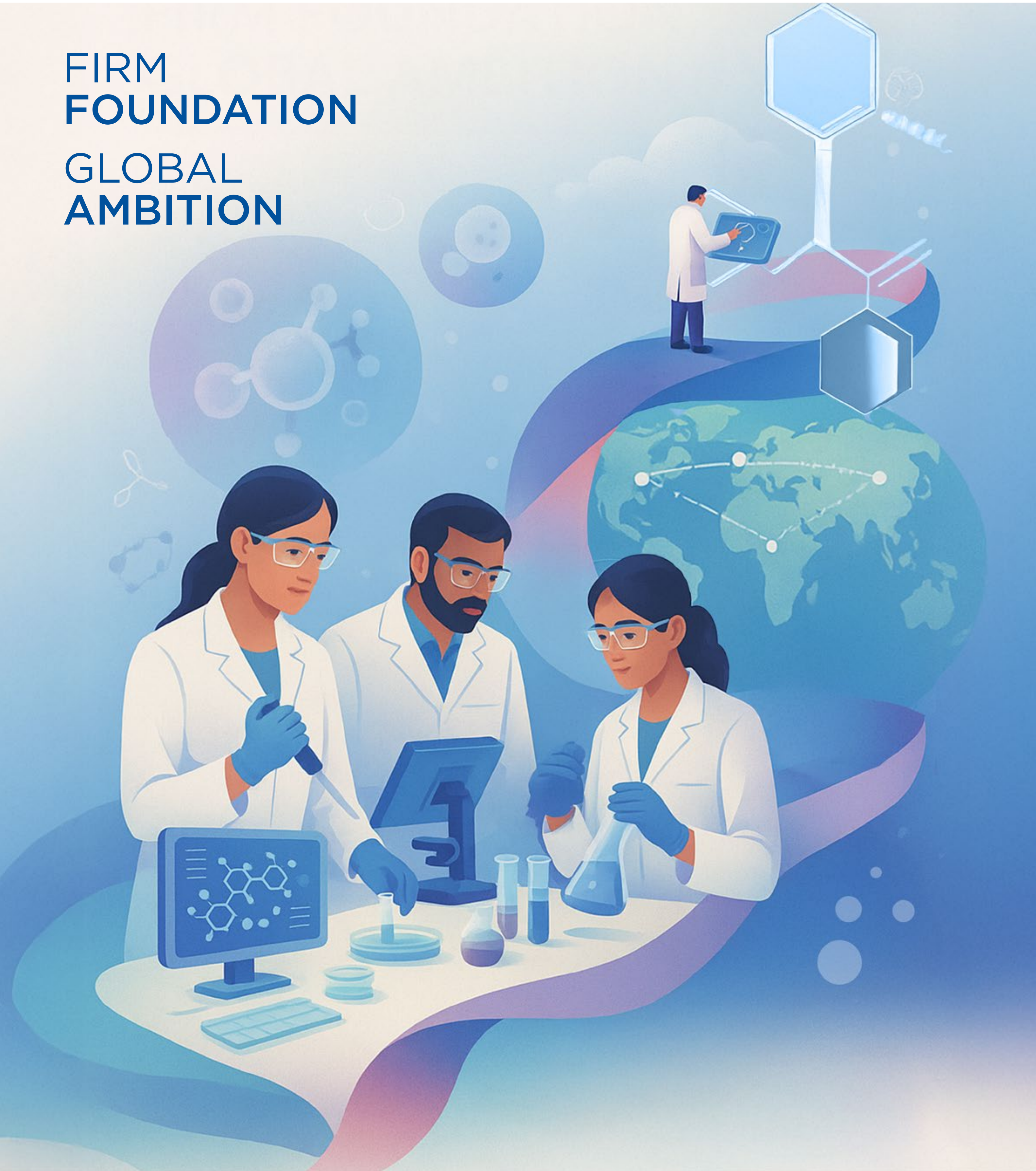
Chekuri Venkat Ramesh Digitally signed by Chekuri Venkat Ramesh Date: 2025.08.29 17:55:44 +05'30'

Ch. Venkat Ramesh
Company Secretary &
Compliance Officer

Encl: As above

Annual Report
2024-25

FIRM **FOUNDATION**
GLOBAL **AMBITION**



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STATUTORY REPORTS

FINANCIAL STATEMENTS

Forward-looking Statements

We have exercised utmost care in the preparation of this report. It might include forecasts and/or information relating to forecasts. Facts, expectations, and past data are typically the basis of forecasts. As with all forward looking statements, the actual result may deviate from the forecast. As a result, we can provide no assurance on the correctness, completeness, and up-to-date nature of the information for our forward-looking statements, as well as for those declared as taken from third parties. Reader discretion is advised. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Firm **Foundation,** Global **Ambition**

With a vision to make specialty medicines accessible to all, we started our journey over four decades ago to bring high quality products accessible to all. Our strong R&D capabilities, strategic selection of filings, timely execution, aspirations on New Chemical Entities (NCE) and entry into new emerging markets have all laid a strong foundation for a sustainable growth of the business. We are at an influx point to chase after larger global ambitions with an established robust base.

The Company rose to prominence with its breakthrough in oncology products in the Indian market in 2003. Since then, the company has continued to build a very strong backend R&D team, manufacturing capability and brand equity for its products. Two decades into NATCO maintains a leadership position in India for targeted therapy oncology medicines. Adherence to stringent regulatory standards and the assurance of quality have forged an unshakeable foundation for enduring success.

With its foot firmly established in the oncology, the company strategically started pursuing the US market between 2010-2020. Products included carefully picked oncology formulations, complex chemistries, non-infringing first-to-file products, etc. During the past 5 years, as the company began to reap the benefits of its foundation in oncology and strategic filings, global expansion of its footprint soared to new heights. As of March 31st, 2025, NATCO has subsidiaries in ~10 different highly regulated countries for the growth of pharmaceutical business. In addition, the company extended its skills in chemistry and manufacturing into Crop Health Sciences business which is expected to add to sustainable base business.

At NATCO Pharma, we have consistently proven our commitment to making essential medicines accessible to those in need; we understand the evolving requirements, deliver innovative solutions and consistently fine-tune our initiatives to fortify our position in both domestic and international markets. As we stride ahead, our ambitions have expanded to global destinations with no compromise on the core philosophy of investment in research driven initiatives for sustainable future of the company.

At a Glance

Performance etched in excellence

Our Story

Over four decades, NATCO Pharma has evolved from being a domestic player in the oncology therapeutic segment to an organization with strong footprints in the US market for generic medicine and now with global expansion into several key emerging markets. The company continues to strengthen its foundation in R&D chemistry and strategic investments in technologies to ensure a strong sustainable growth. Its lateral expansion into agrochemicals and global expansion into emerging geographies is a part of the growth story.

Anchored in chemistry skills since inception and investments in technologies over time to enable growth in its pharma business, the company has grown its business in many global markets. With pioneering launches, growing international footprint and a steadfast focus on innovation and quality, we have surpassed significant milestones consistently. In FY25, we achieved our highest-ever revenue, EBITDA and profits, reflecting decades of diligence and resilience.

44

Years since establishment

30

Years of profitable growth since listing on the BSE (as on 11th April 2025)

50+

Countries with export presence

Sound financial management

We maintain sound financial health through prudent capital allocation and efficient cost management practices. Our balance sheet and steady cash flows have built a strong foundation, enabling us to confidently pursue strategic investments and global ambitions.

₹ 47,840 Million

Total Revenue

₹ 25,505 Million

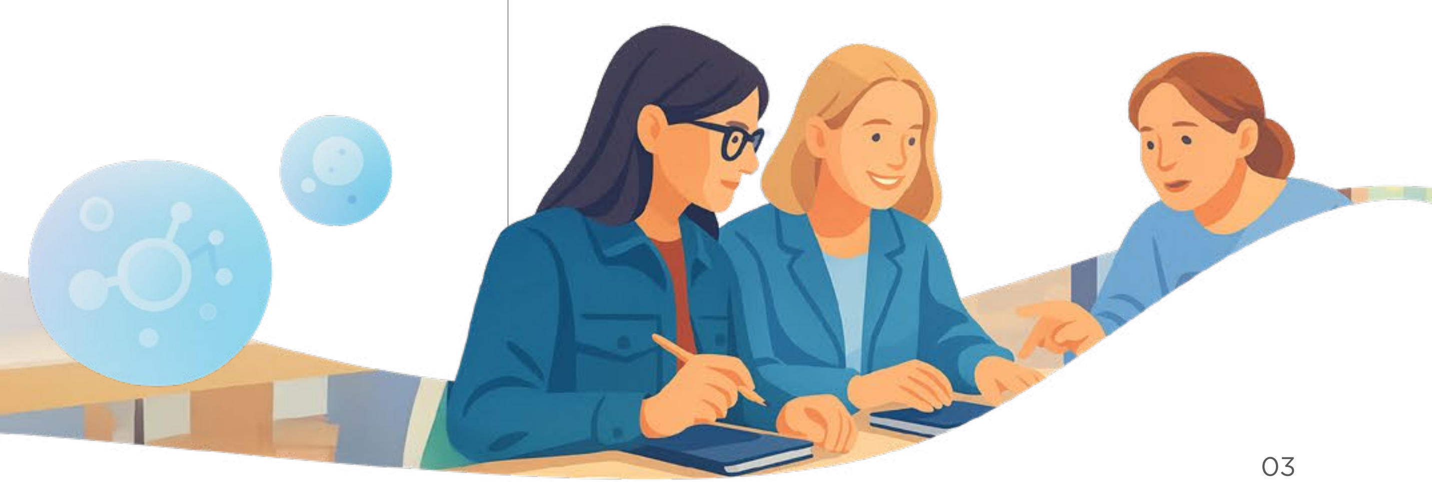
EBITDA

₹ 18,834 Million

Profit After Tax

₹ 105.26

Earnings per share



R&D and manufacturing

Our R&D efforts focus on developing complex generics and niche products. By bolstering our research capabilities across both pharmaceutical and agrochemical segments, we are leveraging cutting-edge developments to grow value across businesses.

500+
Scientists

289
Indian patents filed

325
International patents filed

115
Indian patents granted

190+
Active FDFs in RoW (does not include US)

80+
Active FDFs in India

215
International patents granted

Human resources

Our team of passionate individuals consistently step up to deliver performance that consolidated our position in the market. This motivated workforce, united by a common purpose, enables us to craft a growth story that redefines paradigms.

5,000+
Employees globally

850+
New hires in FY25

10.95%
Women in the workforce

28
Average Training Hours per year

11%
Gender diversity at board level

Sustainability in practice

We are making a sustainable impact, embracing a low-carbon future. Our initiatives encompass resource efficiency and adoption of sustainable practices across our supply chain and manufacturing processes.

25.05%
Electricity used from renewable sources

53.11%
Recycled water used in our facilities

100%
Post-consumer plastic packing material is EPR certified

Zero
Waste to landfill (for Mekaguda facility)

4 Large facilities

Zero liquid discharge

Community empowerment

Our CSR initiatives prioritise education, health and nutrition, livelihood enhancement and sustainability promotion. We support programmes that address local needs and contribute to the well-being of communities around our areas of operation.

FLN Mission

69,700
Students from 1356 primary schools

₹ 3.2 Million
Worth of medicines supplied

₹ 50.94 Million
Spent on Education

₹ 86.23 Million
Spent on Health and Nutrition

Our Approach

Leading with purpose

Since its inception in 1981, NATCO Pharma Limited has grown into a trusted pharmaceutical Company, making speciality medicines accessible for all. Our focus on niche, high-barrier products has been the bedrock of our success. This strategic focus on niche products improved health outcomes for patients across the country and in global markets as well. With that strong foundation we are aiming to further increase our footprint across the globe.

Built on a vertically integrated business model, NATCO combines strong R&D capabilities with focus on developing complex generics and differentiated products. Our nine state-of-the-art manufacturing facilities and two advanced research centres across India support a diverse portfolio that covers APIs, FDFs and crop health solutions. This robust infrastructure, coupled with our proven expertise in challenging patents and securing early market entry, truly distinguishes us in this highly competitive landscape. Further, we continue to expand strategically into the agrochemical sector, building on the legacy of excellence that we have built over the years.

We believe in delivering real-world impact by improving access to quality medicines and enabling healthier lives. Our relentless pursuit of innovation and quality empowers us to set industry standards, exploring new scientific frontiers and creating sustainable value for our stakeholders.

Mission & Purpose

Making specialty medicines accessible to all

Values

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

Journey

Growing from strength to strength

From humble beginnings, we have evolved into a leading global pharmaceutical Company. Our journey is a testament to consistent growth across diverse geographies and therapeutic areas, backed by manufacturing prowess, innovative approach and strategic foresight.

Over the years, we have achieved milestones firmly, pioneering generics in oncology, entering new markets, and launching differentiated products across pharmaceutical and agrochemical sectors. We have forged steady progress.

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, Tamilnadu

2011
Established its subsidiary NATCO farma 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, Andhrapradesh formulation facility

2020
Visakhapatnam, Andhrapradesh formulation facility gets US FDA approval

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

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

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

Invested US$ 1 million in a cell therapy company (Eyestem) who developed a patented experimental treatment for dry AMD called Eyecyte-RPE

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.

Offered to acquire 35.75% stake in Adcock Ingram Limited, leading healthcare player in South Africa at a valuation of US$ 618 Million, at US$ 4.27 per share.

Geographical Presence

Delivering on our promise

Subsidiaries and Step-down Subsidiaries

- NATCO Pharma Inc.
- NATCO Pharma (Canada) Inc.
- NATCO Pharma USA LLC (step down subsidiary)
- NATCO Pharma Colombia S.A.S
- NATCO Farma 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 Australia Pty Ltd.

Corporate Headquarters and R&D Centre of Excellence

- Hyderabad, Telangana

APIs

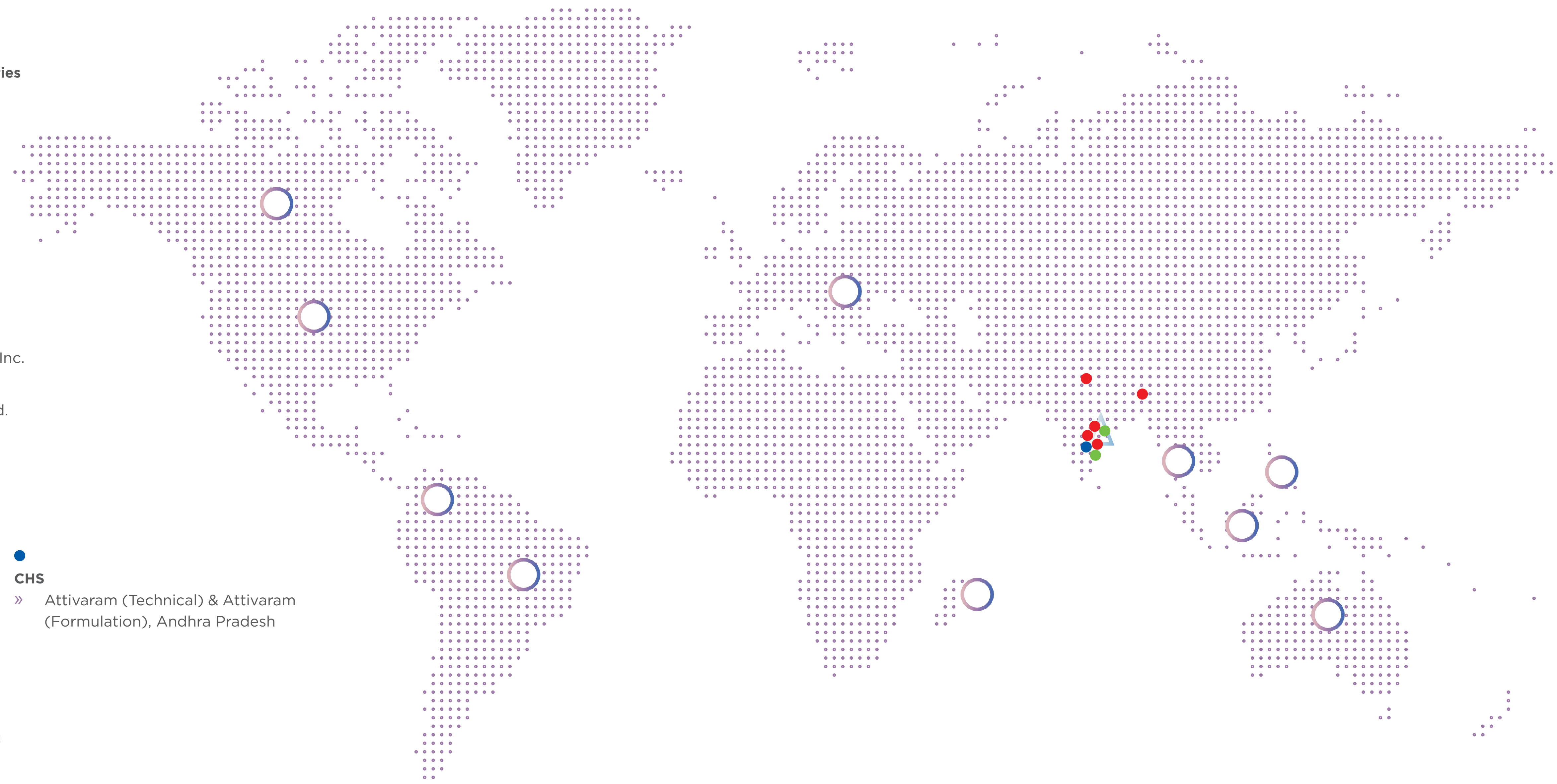
- Hyderabad, Telangana
- Chennai, Tamil Nadu

CHS

- Attivaram (Technical) & Attivaram (Formulation), Andhra Pradesh

FDFs

- Hyderabad, Telangana
- Visakhapatnam, Andhra Pradesh
- Nagarjuna Sagar, Telangana
- Guwahati, Assam
- Dehradun, Uttarakhand



Financial Highlights

Fuelling growth through financial prudence

Financial prudence, R&D investments and capital efficiency form the bedrock of sustainable value creation. In FY25, we have reported a revenue of ₹47,840 Million, as compared to ₹41,269 Million in FY24. Profit after tax stood at ₹18,834 Million, up from ₹13,883 Million in the previous year. EBITDA for the year was ₹25,505 Million, compared to ₹18,795 Million in FY24. This marked a year of achieving yet another milestone of recording highest ever revenue and profits.

Our disciplined approach to capital allocation has enabled us to expand our horizons, implement business strategies and leverage advanced technologies, thereby aiding us to improve efficiency and support scale. This strategic foresight, coupled with improved cash flows and net zero debt, propels us forward on a path of exponential growth.

Total Revenue**
(₹ Million)

FY25	**47,840**
FY24	41,269
FY23	28,117
FY22	20,438
FY21	21,557

Net worth
(₹ Million)

FY25	**76,070**
FY24	58,531
FY23	48,738
FY22	42,636
FY21	41,216

Profit before tax (PBT)
(₹ Million)

FY25	**22,914**
FY24	16,735
FY23	8,619
FY22	2,022
FY21	5,796

Profit after tax
(₹ Million)

FY25	**18,834**
FY24	13,883
FY23	7,153
FY22	1,700
FY21	4,409

30,755 Million

Cash and Bank balances
(includes deposits with banks & financial institutions, interest accrued and current investments)

EBITDA**
(₹ Million)

FY25	**25,505**
FY24	18,795
FY23	10,402
FY22	3,625
FY21	7,098

EBITDA Margin**
(in %)

FY25	**53.3**
FY24	45.5
FY23	37.0
FY22	17.7
FY21	32.9

Reported Earnings per share (EPS)
(₹ - Basic)

FY25	**105.26**
FY24	77.34
FY23	39.18
FY22	9.32
FY21	24.20

PAT Margin
(in %)

FY25	**39.4**
FY24	33.6
FY23	25.4
FY22	8.3
FY21	20.5

Return on Equity
(in %)

FY25	**24.7**
FY24	23.7
FY23	14.7
FY22	4.0
FY21	11.0

Return on Capital Employed
(in %)

FY25	**30.1**
FY24	28.5
FY23	17.6
FY22	5.0
FY21	14.0

**includes other income

ROCE = Earnings Before Interest and Tax (EBIT) / Capital Employed (Total Assets – Current Liabilities); ROE= Net Income/ Shareholder's Equity (networth)

CMD and VC & CEO Message

Pursuing global ambition with a firm foundation

V.C. Nannapaneni
Chairman and Managing Director

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer

Sustainability is integral to NATCO's operations, reflecting our commitment to environmental stewardship and social responsibility.

Our diversified business segments have each contributed to our success, reflecting our strategic focus on niche, high-value products and market expansion.

Dear Shareholders,

As we look back on the year gone by (FY2025), we are glad to share that your Company has achieved its highest ever consolidated revenue and profits during the period. This achievement is the outcome of decades of focused strategy, agile execution and unflinching diligence in the face of headwinds. We are committed to building value sustainably and pursuing our Global Ambition on the strength of the Firm Foundation that we have created over the years.

The year saw us expand our portfolio of offerings, further strengthened our innovation pipeline and accelerated our strategic initiatives. Despite volatility in the global pharmaceutical market due to macro uncertainties, we continue to follow a conservative roadmap for growth.

Navigating a dynamic pharma landscape

The global pharmaceutical industry is driven by advancements in biotechnology, increasing demand for personalised medicines, and the introduction of novel therapies. The global pharma sector is expected to grow steadily due to rising prevalence of various chronic and lifestyle-related diseases, and growing efforts to develop and introduce novel therapies for these conditions.

During the year, we enhanced our presence into the domestic mass-market segments, significantly expanding our market reach.

We have maintained steady growth by focusing on high-growth therapeutic areas such as oncology, cardiology and diabetology. Our expansion into Tier-2 and Tier-3 towns, supported by new divisions Dynami for infectious diseases and Hygiea for Luminal Gastro and others have broadened our reach. The Indian pharma market's increasing demand for accessible, high-quality medications aligns with our mission to make specialty medicines accessible to all, positioning us for continued growth.

In line with our strategic priorities, we have offered to acquire 35.75% stake in Adcock Ingram, one of the leading healthcare company of South Africa. The deal is valued at US$ 618 Million and a revenue multiple of 1.12x. Adcock is the only company in South Africa with coverage of all market segments with well recognized brands and a strong market position. As of FY25 Adcock reported a Revenue of US$ 551 Million and a Profit After Tax (PAT) of US$ 48.5 Million. Post completion of the transaction by December'25, we will be able to consolidate 35.75% of PAT to our financials. We will also leverage our existing and upcoming R&D pipeline in the country, which will add significant value to Adcock and NATCO. This strengthens our base business and our footprint in the RoW markets.

Our international business, particularly export formulations, generated ₹ 37,597 Million, accounting for 78.6% of total revenue, driven by strong growth in regulated markets such as the United States, Canada and Brazil, as well as emerging markets in Southeast Asia and the Middle East. In the US, our focus on niche and complex generics, supported by a robust pipeline of 28 Para IV filings, with over 20 First-to-File (FTF) applications, has reinforced our competitive position. In Canada and Brazil, strategic partnerships and targeted product launches have enhanced our market presence. Emerging markets, including Saudi Arabia, Indonesia, and Vietnam, have achieved significant growth, reaffirming our ability to tailor strategies to local dynamics.

Resilient financial performance

In FY 2024-25, NATCO Pharma Limited achieved its highest-ever consolidated revenue of ₹ 47,840 Million, a 16% increase from ₹ 41,269 Million in FY 2024. Our profit after tax surged by 36% to ₹ 18,834 Million, reflecting our product selection and strategic focus. The EBITDA reached ₹ 25,505 Million, with a margin of 53.3%. Our earnings per share rose to ₹ 105.26, up from ₹ 77.34 in the previous year.

CMD and VC & CEO message (Contd...)

Sustainability is integral to NATCO's operations, reflecting our commitment to environmental stewardship and social responsibility. Our manufacturing facilities adhere to sustainable practices, with initiatives like zero liquid discharge at five large facilities and a significant reliance on renewable energy sources.

With a strong cash reserve, we are well-positioned to pursue strategic investments and navigate future challenges, ensuring sustainable value creation for our shareholders.

Our diversified business segments have each contributed to our success, reflecting our strategic focus on niche, high-value products and market expansion.

Active Pharmaceutical Ingredients (APIs)

The API segment generated ₹ 2,018 Million, focusing on high-value molecules for oncology, central nervous system, and cardiovascular segments. Investments in oligonucleotides and specialty APIs, supported by 49 active US Drug Master Files (DMFs), enhance our competitive position. Our backward integration strategy ensures cost efficiency and supply chain resilience.

Crop Health Sciences

This segment contributed ₹ 598 Million and is expected to break even in FY 2026 by EBIDTA. Despite market challenges and evolution of backend processes. We have expanded our product portfolio with limited competition products and strengthened our market presence through dedicated sales teams. Our focus on green chemistry and farmer engagement positions this division for future growth.

Innovation is the lifeline of NATCO

Innovation remains the cornerstone of NATCO's strategy, driving our ability to address unmet medical needs. In FY 2024-25, we invested ₹ 3,733 Million in R&D, representing 9.12% of our standalone revenue from operation to develop complex generics and explore new therapeutic frontiers. Our focus on New Chemical Entities (NCEs) and cell and gene therapies reflects our ambition to lead in transformative healthcare solutions. NRC-2694-A, our in-house NCE, a tyrosine kinase inhibitor for head and neck cancer, is in Phase 2 clinical trials in the US and India, for patients who have progressed on existing therapies like Pembrolizumab.

Further, we invested US$ 8 Million in eGenesis, a biotechnology company pioneering xenotransplantation. Their successful pig-to-human kidney transplant, a world-first achievement, addresses the critical global shortage of transplantable organs, aligning with our vision to transform patient outcomes.

This investment is a leap of faith for us, as we navigate the future through cutting-edge procedures. We are advancing the development of Semaglutide for diabetes and weight loss, with clinical trials underway in India. Subject to regulatory approvals, we anticipate launching this product to meet the growing demand for metabolic therapies. We are happy to share that our US$ 2 Million investment in Cellogen Therapeutics supports the development of third- and fourth-generation CAR-T cell therapies for leukaemia and lymphoma, as well as gene therapies for inherited blood disorders such as beta-thalassemia and sickle cell disease.

With US$ 1 Million invested, we are backing a cell therapy company developing a patented treatment for dry age-related macular degeneration, addressing significant unmet needs in ophthalmic care.

These initiatives position NATCO at the forefront of pharmaceutical innovation, aligning with our global ambition to deliver transformative healthcare solutions.

Acquisitions and inorganic growth

To enhance our global scale and stability, we are pursuing strategic acquisitions. Our robust cash position (includes deposits with banks & financial institutions, interest accrued and current investments) of INR provides the financial flexibility to explore opportunities that complement our existing portfolio and expand our market presence.

Committed to sustainable operations

Sustainability is integral to NATCO's operations, reflecting our commitment to environmental stewardship and social responsibility. Our manufacturing facilities adhere to sustainable practices, with initiatives like zero liquid discharge at four large facilities and a significant reliance on renewable energy sources. We have achieved zero waste to landfill at our Mekaguda facility in Telangana and utilise a high percentage of recycled water in our operations.

Through the NATCO Trust, our CSR arm, we have made substantial interventions in the realms of education, healthcare and community development. Our NATCO Cancer Centre at Guntur General Hospital, mobile health clinics, and educational initiatives for rural students have benefited thousands of people.

The NATCO of tomorrow

We are looking towards the future with cautious optimism, as geopolitical uncertainties may cause short-term headwinds in our core US portfolio. We have a reasonably strong CAPEX plan to the tune of around INR 3000 Million for FY2026, which we will accelerate with diligence and focus.

Key product launches, such as Risdiplam and Semaglutide, subject to legal and regulatory outcomes, are expected to drive significant growth. Our Crop Health Sciences division is poised to break even, and our continued investments in innovation will fuel long-term growth.

As we navigate the global pharmaceutical landscape with courage and conviction in our vision and strategies, we must convey our appreciation to all our stakeholders for their encouragement and support in our journey.

Sincerely,

V.C. Nannapaneni
Chairman and Managing Director

And

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer

Business Model

Where versatility meets innovation

Inputs

Robust Financials

We strategically allocate financial resources to ensure smooth business operations, manage financial risks and optimise capital costs.

- Net Worth ₹ 76,070 Million
- Cash and Bank Balance
- (includes deposits with banks & financial institutions, interest accrued and current investments) ₹ 30,755 Million

Innovation

Our unique expertise and in-depth market knowledge empower us to develop innovative solutions and strengthen our market position.

- R&D Facilities 2
- R&D Spend ₹ 3,733 Million
- International Patents filed 325
- Indian Patents filed 289
- Scientists 500+

Manufactured Excellence

We optimise production by leveraging our manufacturing and in-house formulation capabilities. We maintain stringent standards of quality, safety and reliability.

- API Manufacturing facilities 2
- FDF Manufacturing facilities 5
- Crop Health Science units 2

Human Resource

The expertise, knowledge motivation and proper conduct of our employees are crucial in achieving and advancing our business goals.

- Employees Globally 5000+
- Women in Workforce 10.9%

Community Welfare

Our CSR efforts focus on education, healthcare, livelihoods and sustainability, supporting local programmes that benefit communities near our operations.

- CSR Spend INR 50.94 Million on education

Environment Stewardship

We strive to maximise the use of natural resources, minimise waste generation and reduce our environmental impact.

- Target renewable energy share by 2035 is 35%
- Wind energy capacity 4.2 MW
- Solar energy capacity 7.05 MW

Our Ecosystem

NATCO's Mission and Values

Concentrate on our Business Segments

APIs	Formulations	Crop Health Sciences
North America	India	India
South America	USA	
EU	Canada	
India	South America	
	South East Asia	

Outputs

- Growth in PAT 36%
- Growth in EBITDA 53.3%

- 7 New Product Launches in Domestic business
- 28 Para IV pipeline
- 6 New product launches in Crop health sciences

- Meeting global regulatory standards

- Talent management
- Average Training Hours per year 28

- Farmers connected and educated through field activities

- 4 Large facilities Zero Liquid Discharge
- 30.18% Total renewable energy contribution
- 1,59,009.79 KL Recycled water usage

Stakeholders Impacted

- Investors and shareholders
- Regulators/ Government
- Suppliers/ Vendors
- Employees and workers
- Patients
- Farmers
- Local Communities
- Doctors
- Dealers and distributors
- Trade unions
- Media
- Government
- Financial Institutions

SDGs Impacted

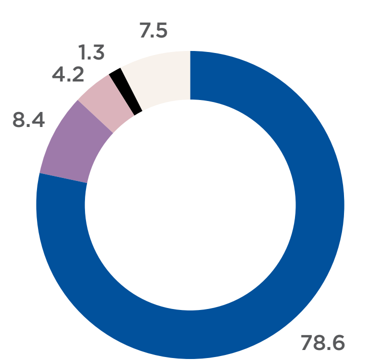
Our Businesses

Endurance. Perseverance. Diligence.

In this dynamic landscape, we are constantly being a better version of what we were. Our vertically integrated business model has allowed us to strengthen a strong presence in both domestic and international spheres.

Through a meticulous global filing strategy and an unswerving focus on niche, high-barrier products as well as First-to-File (FTF) opportunities in the US, we are strategically cultivating a brand synonymous with trust. As we thoughtfully expand our international footprint, we are equally committed to broadening our domestic portfolio and enhancing our market reach.

Revenue from our different segments
(in %)



- Export Formulations
- Domestic Pharmaceuticals Business
- Active Pharmaceutical Ingredient
- Crop Health Sciences
- Others

International Pharmaceutical Business

Our international formulations business spans key regulated markets, including the US, Canada and Brazil, along with emerging markets across Asia and LATAM. In FY25, we continued to prioritise Para IV filings by filing 5 ANDAs in the US, where we have Sole FTF status in some and shared FTF status in others. With a strategically positioned global network, we further expanded our product base in Canada and Brazil through focused filings, while tailoring our strategies for MENA, ASEAN, and LATAM markets by building strong local partnerships and applying legal foresight.

₹37,597 Million
Sales

78.6%
Sales mix

Domestic Formulations

Our domestic formulations business focuses on specialty and high-growth therapeutic areas, maintaining a strong presence in oncology. In FY25, we enhanced our presence into mass-market segments, significantly boosting our market reach in Tier-2 and Tier-3 towns. Simultaneously, we launched new divisions such as 'Dynami' for infectious diseases and 'Hygeia' for Luminal Gastro and others. Further, our cardiology and diabetology portfolio expanded, supported by extensive field force. The results from the domestic formulations business reflected a balanced growth across niche and volume-driven therapies.

₹ 4,000 Million

Sales

8.4%

Sales mix

Active Pharmaceutical Ingredient (API)

Our API division develops and manufactures high-value molecules, with a keen focus on oncology, CNS and rare diseases. In FY25, we strengthened our capabilities in oligonucleotides and specialty APIs, optimised process efficiencies and maintained a strong presence in regulated markets through 49 active US DMFs. We continue to prioritise backward integration, innovation and a cost-competitive production strategy to support formulation development.

₹ 2,018 Million

Sales

4.2%

Sales mix

Crop Health Sciences

The Crop Health Sciences segment is dedicated to addressing the crucial need for high-quality agrochemicals and sustainable farming inputs. We strategically expanded our footprint through a dedicated sales team, bolstered manufacturing and diversified our portfolio to include bioproducts and crop phenology-based solutions. We will continue to increase our reach across major agricultural states, supported by product quality and a deep commitment to farmer-focused innovation.

₹ 598 Million
Sales

1.3%
Sales mix

Domestic Pharmaceutical Business

Pursuing strategic and responsible expansion

In FY25, our domestic business expanded its therapeutic presence while deepening focus in high-growth segments. We strengthened operations across key specialties, diversified into mass-market categories, and enhanced our reach in Tier-2 and Tier-3 towns. Notably, oncology continued to anchor our domestic operations, with targeted efforts to boost product reach.

80+
Branded generics pipeline

9
Brands more than ₹ 100 Million in sales

7
New product launches

900+
Salesforce strength

Domestic formulations sales
(₹ Million)

FY25	4,000
FY24	3,867
FY23	3,749
FY22	4,771
FY21	4,101

Key Pillars of Our Domestic Business

Process

Streamlining go-to-market operations, optimising salesforce deployment, and enhancing market coverage models to improve efficiency and responsiveness.

People

Building a skilled and stable workforce, reducing attrition, improving productivity and enhancing customer engagement.

Product

Strategically expanding both niche patented and mass-market portfolios, with over 80 products launched, manufacturing efficiency and robust internal capabilities.

Oncology

With presence for over two decades, we maintain leadership with a portfolio of 40+ brands, amongst the top 3 in the operated market. In FY25, we significantly strengthened our oncology operations by increasing our team size to improve reach, particularly in Tier-2 and smaller towns. Further, we embraced a hybrid approach to deepen our presence in these markets. Crucially, our oncology pipeline is expanding to include both conventional therapies and next-generation immune checkpoint inhibitors.

₹ 2,324 Million
Oncology revenue

40+
Products

8
Brands over ₹ 100 Million in sales

Pharma Specialty

To sharpen our focus on specialised therapies, we expanded our pharma specialties business in FY25 by launching Dynami, a new division dedicated to infectious diseases. This complements Hygeia division, spanning hepatology, gastroenterology, nephrology, neurology, orthopaedics and rheumatology. This dual structure enables us to balance niche products with broader market offerings. Velpanat is the high-performing brand, crossed ₹ 250+ Million in annual sales, reflecting highest market share.

Further, we identified a strategic gap in the mass-market segment and adopted a volume-led strategy across cardiology, diabetology, infectious diseases and gastroenterology. This approach reduces business volatility and shapes a more resilient growth engine. We have expanded our field force to support growing demand and deepen market penetration in specialty therapies. We are actively strengthening our pipeline through mutliple offering in various disease portfolios.

17
Specialities

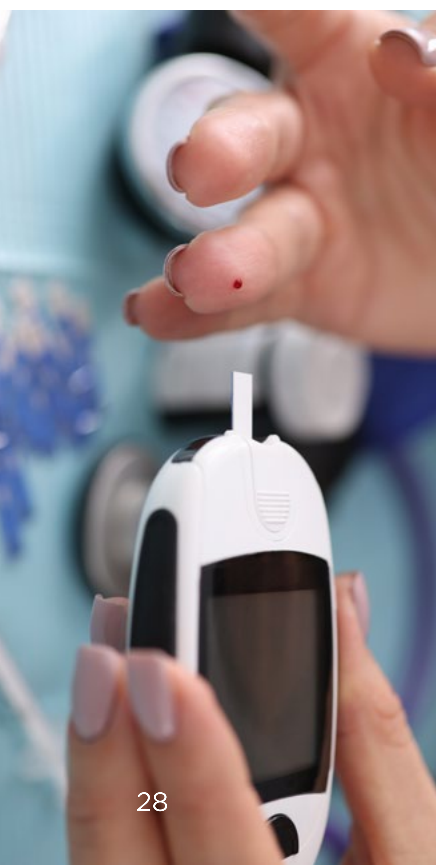
Cardiology

We continued to diversify our cardiology portfolio through new launches and better market reach. With innovative anticoagulant and coronary vascular disease, we delivered solutions that helped us gain a competitive advantage. Apigat emerged as one of the most prescribed brands in its category, helping us improve customer acquisition and deepen our presence.

Our approach involves expanding both product range and field force. By engaging physicians through peer group sessions, awareness activities and patient education, we promoted adopted and improved outcomes across the care spectrum.

280+

People in salesforce



Diabetology

In the year under review, we expanded our presence in the broader metabolic dysfunction segment, catering to ailments such as diabetes and cardiovascular diseases. Therapies such as dapagliflozin are recording broader usage among cardiologists, reflecting the growing overlap between cardiology and diabetology.

We are building on our long-standing relationships with specialists across endocrinology, diabetology and cardiology to drive awareness and boost engagement. Additionally, our strategy includes liaison to consulting physicians and general practitioners.

We are in the process of fast tracking the addition of more sales force to support expanded outreach and enhance field effectiveness.

7,500+

Awareness programs initiated

₹ 1,676 Million

Non-oncology revenue (includes cardio, diabetology and pharma specialty)

International Pharmaceutical Business

Enabling healthier lives worldwide

Driven by a market-specific strategy anchored in legal integration, differentiated portfolios, and strategic partnerships, our international business segment is unlocking new possibilities for business growth and market expansion. In FY25, we fortified our presence across key global markets by aligning product selection with local dynamics and embedding intellectual property and regulatory framework foresight deeply into both our development and commercial planning.

IP-led access remains a key part of our international strategy. Beyond the US, we have extended intellectual property-based approaches to other markets such as Canada, Brazil and other markets in the Asia Pacific and Latin America regions. This judicious approach has enabled us to have a differentiated product portfolio, early market access for select products in line with our mission to make specialty medicines accessible to all.

28
Para IV pipeline

5+
New geographies explored

49
Active DMFs

₹ 37,597 Million
Revenue

US

₹ 31,487 Million
Revenue

Key product pipeline – USA

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

13
Approved (either tentative or fully)

Currently, our pipeline features 28 Para IV filings, including over 20 First-to-File (FTF) applications, with 13 already tentatively or finally approved. Key sole FTFs include Carfilzomib (10 mg) for multiple myeloma and other cancers, Ibrutinib for leukaemia, Idelalisib for blood and bone marrow cancer, Olaparib for ovarian and breast cancer, Semaglutide (for diabetes and weight loss), Erdafitinib for bladder cancer, and Capmatinib for lung cancer. Notable Para IV filings on NCE-1 dates include Apixaban for blood clots, Pomalidomide and mutiple myeloma (cancer). Additionally, we have Trifluridine/Tipracil for metastatic colorectal cancer, Trabectedin for advanced soft-tissue sarcoma and ovarian cancer, Rimegepant for migraine treatment, Risdiplam for Spinal Muscular Atrophy (SMA) and Lurbinectedin for Central Nervous System.

During the year, we filed 5 ANDAs with the USFDA, received final approval for 3 ANDAs and launched 1 ANDA in the US taking the total portfolio of products to 35+ and 25+ ANDAs pending for final approval.

Key Solo FTFs (Para IV) in the pipeline

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

Key Para IV products in the pipeline

Brand	Molecule	Therapeutic segment/ Primary Indication
Eliquis	Apixaban	Anticoagulant
Ozempic	Semaglutide pen (2 strengths)	Diabetes
Pomalyst	Pomalidomide	Cancer/Multiple Myeloma
Lonsurf	Trifluridine/Tipracil	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
Everysdi	Risdiplam Oral Solution	Spinal Muscular Atrophy
Zepzelca	Lurbinectedin	Central Nervous System

Canada

₹ 2,213 Million

Revenue

Canada has an extensive portfolio of 40+ products in Oncology, Central Nervous System, Cardiology and Anti-viral therapeutic segments. We had the highest market share of Lenalidomide in the market where we were the first to launch. Other key products are Pomalidomide, Everolimus, Apixaban, Teriflunomide and Lanthanum. To sustain our positive growth trajectory, we enhanced our portfolio through a judicious combination of own filings and strategic licensing. Further, legal strategies are being pursued to ensure timely market entry in targeted segments. Our approach balances sustained performance in existing products with expansion into new therapeutic areas that align seamlessly with our formulation strengths.

Brazil

₹ 1,160 Million

Revenue

We adopted a more focused, intellectual property and regulatory framework-led approach to filings, aligning closely with evolving competition and pricing dynamics. This shift from broad-based submissions to targeted launches is improving the long-term sustainability of our portfolio. Key products in our portfolio are Oseltamivir, Everolimus, Apixaban, Vildagliptin and Azacitidine. Further, we partnered with regional players and streamlined our commercial operations, establishing a robust launch pipeline in the upcoming financial year. This calibrated strategy is enhancing our ability to respond to local market shifts while simultaneously cementing our market position.

Rest of the world

We expanded our presence across Asia, MENA and Eastern Europe, tailoring our approach for each geography. In Saudi Arabia, we entered a localisation-led alliance involving exclusive rights, technology transfer and profit-sharing; this paved the path for long-term participation in institutional procurement. Similar models are being currently evaluated in adjacent markets like Algeria and Egypt.

In Southeast Asia, we pursued government-led access via tenders and successfully expanded our oncology reach in Vietnam and Indonesia. The year under review also recorded a revival in regulatory momentum in Singapore and markets such as Egypt and Ukraine emerging as promising contributors. Region-specific launches and distribution tie-ups played a crucial role in generating positive results in these markets.

Future Outlook

We will continue to prioritise differentiated product selection, innovation-led strategies and strategic collaborations to deepen our presence in key markets. With a sharper focus on complex generics and early market access through expertise in intellectual property and regulatory framework, we anticipate our international business will expand in a targeted, sustainable manner. Further, regulatory visibility in several regions is improving. As we pursue market-specific partnerships and portfolio integration, we remain aligned to long-term value creation across geographies.

Crop Health Sciences

Unlocking the next

Our Crop Health Sciences division is steadily progressing, meticulously building on its core strengths in R&D, brand creation, manufacturing and distribution. While FY24 laid the groundwork with a focused filing strategy, FY25 recorded scale-up through strategic talent expansion, targeted infrastructure investments and market-driven product diversification. We aim to optimally capitalise on growth opportunities.

We continued to enhance our technical capabilities, improve field force, drive market engagement and diversify product portfolio with new launches. Further, we ensured to forge strong connections with farmers, building a stronger presence in India's dynamic agrochemical sector.

Pack shots of key NATCO CHS formulated pesticides

Products

From 14 in FY 24, 21 in FY 25


Natgen


Natligo


Naterra


Natduo


Glanz


Bosnat


Natcore


Natpearl

Distributors

From 1134 in FY 24, 3000 in FY 25

Sales team

300+ in FY 25

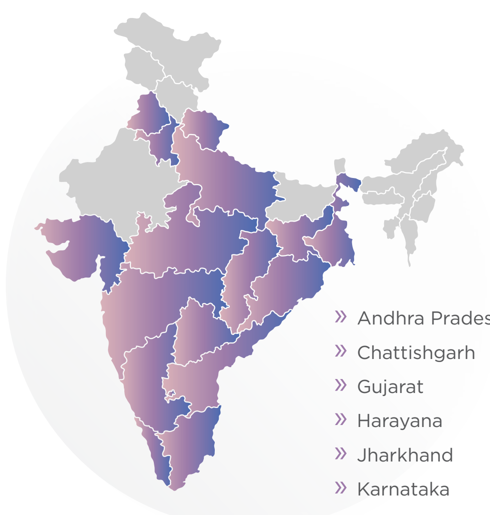
Direct employees **217**

Revenue

₹ 598 Million

in FY 25

CHS presence across the states



- Andhra Pradesh
- Chattishgarh
- Gujarat
- Harayana
- Jharkhand
- Karnataka
- Kerala
- Madhya Pradesh
- Maharastra
- Odisha
- Punjab
- Tamil Nadu
- Telangana
- Uttarakhand
- Uttar Pradesh
- West Bengal

Product portfolio

Beyond a few initial offerings, we diversified our portfolio—encompassing a more diverse and strategically aligned range. This expansion was supported by an increase in skilled talent and the strengthening of our R&D and manufacturing capabilities. Additionally 5 products have been launched. For Kharif 2025, Atmos-Insecticide, Toprasure-Herbicide, Cyanat-Insecticide, Omninat-Herbicide, Astor-Insecticide.

R& D

Our R &D is targeting two categories of products – bioproducts and pesticides, with a strong chemistry team focused on development of Active Ingredient with emphasis on backward integration & cost optimization. We are targeting niche products post Intellectual Property (IP) assessment and freedom to operate boundaries. We have put together a formulation development team with derived expertise from pharma standards of quality and control for consistent delivery of product.

Field R &D:

The molecules/doses identified in the lab are scaled in a controlled research facility setup for evaluating new pesticides/biologicals including seed treatment pesticides to confirm efficacy and plant safety.

Lab R & D

Formulation Development:
We innovate new formulation types like Oil Dispersion (OD), Capsule Suspension (CS), Suspo-emulsions (SE), Bio Stimulants, WG, Pheromones, and ZC. Our eco-friendly formulations prioritize sustainability and efficiency.


Technical facility @ Attivaram, Andhra Pradesh

Structured Product Development Lifecycle

Each product launch rigorously follows a comprehensive process, beginning with early-stage R&D and entomology studies, progressing through greenhouse trials and extended field testing, and finally leading to large-scale field demonstrations. This meticulous development lifecycle ensures market-ready, reliable and high-performing products.

Brand Building and Market Outreach

Our 360° marketing approach, including national/regional TV advertisements, on-ground activations and strong field-level engagement helped in improving brand visibility. These efforts helped in fostering strong bond with the farming community, enhancing confidence regarding the products.

Operational and Distribution Strength

Our dedicated sales and marketing team enhanced market reach and boosted responsiveness. Despite some teething issues related to inventory and liquidation in FY25, we deployed proper corrective measures and established an extensive dealer and distributor network across key agricultural regions.

126
Districts

3,000
Customers

Agro Formulation facility, Attivaram, Andhra Pradesh

Outlook

With a robust pipeline, strong core competencies and a stronger on-field presence, we are poised for growth. We anticipate that our continued focus on green chemistry, targeted innovation strategies and deep farmer engagement will accelerate our positive momentum.

Our Facilities

Ensuring access, and innovation

Our facilities stand as a testament to our mission, equipped with advanced technologies and robust in-house R&D capabilities. A resolute focus on research, precision and excellence enables development and manufacture of niche, complex and high-quality pharmaceutical products.

5
FDF Manufacturing facilities

2
R&D facilities

2
API Manufacturing facilities

2
Crop Health Sciences units

Pharmaceuticals

APIs

Certifications

Mekaguda, Telangana

USFDA	PDMA (Japan)	COFEPRIS (Mexico)	ANVISA Brazil
Korean FDA	WHO GMP (CDSCO)	TGA Australia, EU GMP	ISO 14001-2015 • ISO 45001-2018

Manali, Chennai, Tamilnadu

WHO GMP (CDSCO)	USFDA	ISO 14001-2015	ISO 45001-2018

FDFs

Certifications

Kothur, Telangana

WHO GMP (DCA)	USFDA	EU GMP (Greece)	Australia TGA
ANVISA (Brazil)	Health Canada	ISO 14001-2015	ISO 45001-2018

Nagarjuna Sagar, Telangana

WHO GMP	ANVISA	FMHACA Ethiopia	Health Canada

Dehradun, Uttarakhand

State GMP certification	WHO GMP	ISO14001-2015	ISO45001-2018

Guwahati, Assam

WHO GMP	ISO14001-2015	ISO45001-2018

Visakhapatnam, Andhra Pradesh

USFDA	ANVISA Brazil	Health Canada	ISO14001-2015
ISO45001-2018			

Agrochemicals

CHS

Certifications

Attivaram, Andhra Pradesh
Technical unit and Formulation unit

Central Insecticide Board, Faridabad

Research centres

Research centre (NRC) Hyderabad and Research centre Kothur, Telangana

Intellectual property

Intellectual property

288
International Patents Filed

204
International Patents Granted

282
International Patents Granted

111
Indian Patents Granted

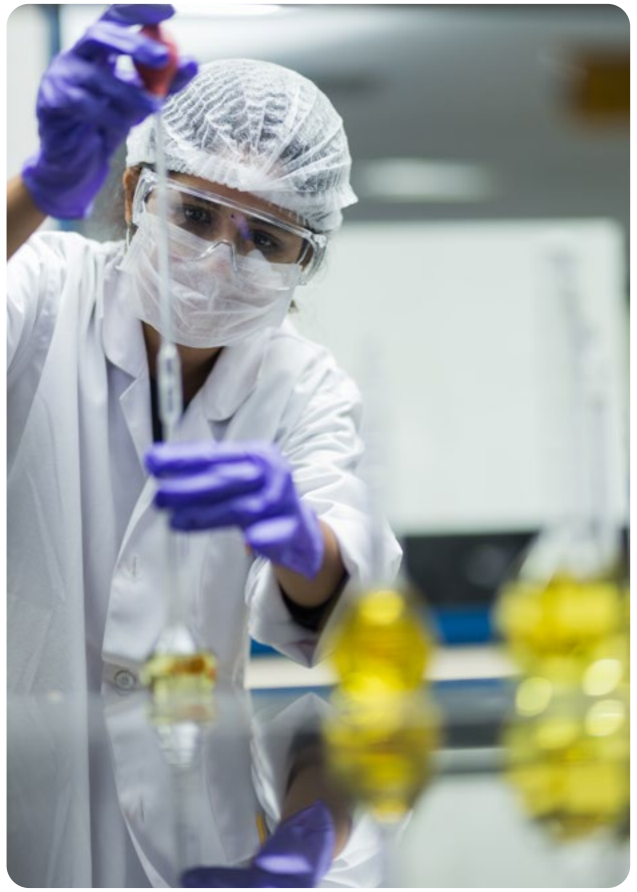
R&D Endeavours

Shaping the Future of Complex Therapeutics

We are strengthening our innovation pipeline through making strategic investments in New Chemical Entities, CAR-T cell therapies, gene-editing technologies and regenerative solutions, specifically targeting oncology, rare diseases, organ failure and retinal degeneration. Each investment brings us closer to achieving our core purpose of making breakthroughs accessibility and cure for Millions.

Our R&D strategy is further supported by a strong filing momentum in both India and international markets. We consistently pursue complex and high-barrier filings that align with our focus on niche, high-value opportunities. This disciplined approach strengthens our position in the pharmaceutical industry and deliver sustainable value across markets.

We are constantly adding capabilities and develop expertise in innovative research and technological integration and investments.



9.1%

R&D spend as a percentage to standalone revenue in FY25

526

Strong R&D Team

R&D spend (mn) and R&D Spend (% to sales)

(₹ Million)

FY25	3,733	9.1%
FY24	2,694	7.5%
FY23	1,959	8.3%
FY22	2,267	12.8%
FY21	1,596	9.1%
FY20	1,656	8.7%
FY19	1,976	8.8%

We are committed to building, safeguarding and strengthening our research skills and stimulating innovative thinking throughout our organisation, which allows us to pursue operational excellence and value creation for our stakeholders around the world.

We are a strong team of 526 highly skilled and erudite scientists, including researchers and specialists. They are deeply committed to enhance our intellectual property through innovation and dedication. We have two research facilities with capabilities across synthetic chemistry, nano pharmaceuticals, new drug discovery and cell biology. In FY25, we invested 9.1% of our revenue to empower and enhance our R&D capabilities. It increased by 39% year-on-year.

Key focus areas

Our steadfast focus on low competition and niche filings has enabled us to consistently file more products across the globe. Formulations while reducing our environmental impact. Also, we are adopting and integrating greener chemistry principles that result in positive outcomes for new product development.

New Drug Discovery

As an organisation deeply dedicated to the well-being of our patients, we believe in building a strong foundation for sustainable value creation. This is achieved through our strategic investment in cutting-edge research, including pioneering work in New Chemical Entities (NCEs) and exploring emerging platforms such as Cell and Gene Therapy. This approach ensures we remain at the forefront of transformative medical breakthroughs and ensure long-term sustainable growth for the company.

NATCO's discovery team develop innovative therapeutics for different types of cancers by utilising in-house expertise of molecular modelling, medicinal chemistry, in vitro biology, pharmacology, formulations and clinical research.

NRC-2694-A, an in-house discovery by NATCO, is an orally administered small-molecule tyrosine kinase inhibitor specifically targeted at head and neck cancer. A Phase 2 clinical trial has been approved by the US FDA to evaluate its use in patients who have progressed on Pembrolizumab (Keytruda®). Recruitment for this trial is currently underway across clinical sites in both India and the US.

Thinking Ahead, Preparing for the Future

eGenesis

Invested in eGenesis, a leading biotechnology company at the forefront of xenotransplantation. This company is diligently working to make human-compatible organs widely available through advanced gene editing, with their lead programmes in kidney and islet cell transplantation. The goal is to address the critical global transplant shortage and fundamentally transform outcomes for patients suffering from organ failure.

US$ 8 Million

Invested

Cellogen Therapeutics

Invested in Cellogen Therapeutics, a company advancing innovative third- and fourth-generation CAR-T cell therapies for leukemia and lymphoma. Through advanced cellular engineering and gene-editing technologies, the firm is also developing gene therapies for inherited blood disorders such as beta-thalassemia and sickle cell disease.

US$ 2 Million

Invested

Eyestem

Eyestem is a dedicated cell therapy company with a keen focus on retinal degeneration. The firm has successfully developed a patented experimental therapy, Eyecyte-RPE, specifically designed for treating dry age-related macular degeneration (AMD). Our investment underpins Eyestem's efforts to deliver transformative regenerative solutions to address growing unmet requirements in ophthalmic care.

US$ 1 Million

Invested

Stero Therapeutics

Stero Therapeutics is actively developing novel therapeutics for rare diseases, with strategic plans to subsequently expand into larger indications. The Company leverages regulatory advantages, such as the Orphan Drug Act, to accelerate the development of therapeutics that address both niche and mainstream disease segments.

US$ 1 Million

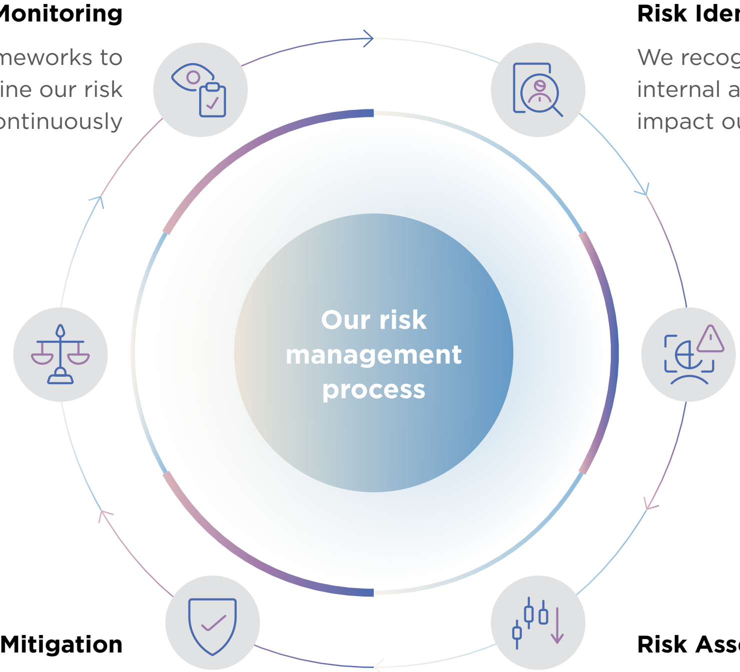
Invested

Note: The above investment values are as on 31st July 2025

Risk Management

Mitigating uncertainties with competence

The pharmaceutical sector faces a range of challenges, including evolving regulatory landscapes and competitive pressures as well as cost constraints and operational complexities. At NATCO, we navigate these uncertainties with nimble strategies, identifying critical risks early and implementing tailored mitigation strategies. Our risk management framework ensures seamless business continuity and builds operational resilience, leveraging strategic foresight and core competencies to drive continued progress.



Ongoing Monitoring

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

Risk Identification

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

Regulatory Alignment

We ensure all practices comply with applicable legal and industry regulations

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

Risk Assessment

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

	Root cause	Impact	Mitigation actions	Opportunities
Price control Risk	Government-mandated pricing controls and tender-based procurement	Constraints on product-level profitability	» Competitive pricing strategy » Portfolio balancing with high-value products » Policy and regulatory engagement » Expansion into private market channels	» Differentiated products with premium positioning » Enhanced access through affordability » Scale-driven efficiencies
Geographic Risk	Over-reliance on select geographies for revenue	Exposure to localised market or regulatory disruptions	» Diversified global footprint » Entry into emerging markets » Strengthening local partnerships » Country-specific risk analysis	» Market-specific growth drivers » Broader revenue base » Reduced sensitivity to regional headwinds
Regulatory Risk	Adverse outcomes from regulatory inspections or non-compliance	Operational halts, restricted market access and reputational impact	» Robust quality management systems » Inspection preparedness » Continuous staff training	» Global recognition of compliance excellence » Early regulatory approvals » Preferred partner status

Risk	Root cause	Impact	Mitigation actions	Opportunities
Health, safety and environment (HSE) Risk	Non-compliance with environmental and safety standards	Regulatory implications, employee health and safety and continuity of operations	» EHS policy adherence » Safety drills and awareness campaigns » Investment in sustainable technologies » Periodic environmental audits	» Improved operational sustainability » Enhanced employee trust » Environmental certifications and recognition
Patent Risk	Patent infringement disputes or delays	Product launch postponements and legal exposure	» In-house IP and legal expertise » Patent landscape mapping » Regulatory risk modelling » Strategic licensing or settlements	» Stronger patent strategies » Exclusive market access » Monetisation through IP licensing
Business portfolio Risk	Concentration of revenue in a limited set of products or therapies	Vulnerability to category-specific disruptions	» Portfolio diversification » Expansion into niche therapies » Lifecycle extension of key products » New product development pipelines	» Entry into high-growth areas » Broadened therapeutic relevance
Human Capital Risk	Talent shortages, attrition and skill gaps	Disruption in innovation and operations	» Comprehensive employee engagement » Competitive compensation structures » Learning and development initiatives » Career progression planning	» Agile and future-ready teams » Culture of innovation

Risk	Root cause	Impact	Mitigation actions	Opportunities
Currency Volatility Risk	Exchange rate fluctuations in international transactions	Variability in earnings and cash flows	» Natural hedge through net exports » Currency monitoring mechanisms » Strategic contract pricing » Treasury-led hedging policies	» Competitive export pricing » Enhanced realisation in favourable cycles
Supply Chain Risk	Global disruptions due to geopolitical or climatic conditions	Raw material shortages, delivery delays, production impact	» Multi-location vendor networks » Inventory planning and safety stocks » Supply chain digitisation » Risk-based logistics planning	» Supply chain agility » Strategic supplier alliance » Leaner procurement practices
Climate related Risk	Exposure to extreme weather or climate-induced events	Disruptions at manufacturing sites, risk to physical assets	» Site-specific incident response systems » Climate vulnerability assessments » Infrastructure resilience upgrades » Environmental scenario planning	» Climate-resilient operations » Early alignment with ESG expectations

Environmental Stewardship

At NATCO, sustainability is not merely a moral obligation, it is a guiding principle that guides our operations, actions and every interaction. For us, sustainability embodies the vision of building an organisation that endures the test of time, encompassing a deep commitment to the planet, a responsibility towards society, all while upholding trust and transparency.

Our success is thus measured not just in financial terms, but equally in environmental stewardship, empowerment of communities and strong governance that defines our organisation.

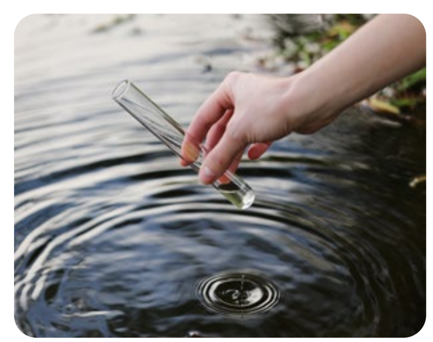
Firm Foundation, Global Ambition

Environmental Stewardship as a Strategic Foundation

We integrate environmental responsibility with scientific innovation to reduce our footprint and enhance long-term value. From conserving water and energy to minimising emissions and managing waste, our approach is rooted in regulatory alignment, resource efficiency and a strong precautionary stance. Each of our initiatives is structured to deliver tangible outcomes and strengthen environmental stewardship across our operations.

Water Stewardship and Circularity

Water is a critical input in pharmaceutical operations, and we take a closed-loop approach to ensure maximum reuse and minimal discharge. Our facilities deploy zero liquid discharge (ZLD) systems and treat water through multiple advanced mechanisms, such as Elector chemical oxidation, Reverse Osmosis (multi stage), Multi effect evaporators, Agitated thin film dryers, Sludge decanters/screw press/sludge dryers,etc. Treated water is reused for utilities and landscaping significantly reducing our fresh water intake. Real-time monitoring of effluent parameters ensures consistent compliance with discharge standards.



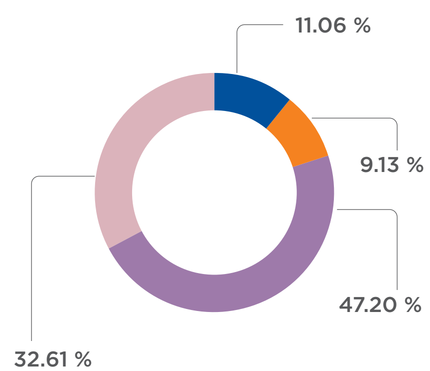
Key Initiatives

- Achieved **ZLD status** for one of our large Formulations manufacturing facility.
- Installed **condensate recovery systems** to reduce raw water usage.
- Reused treated water for cooling towers and gardening.
- Conducted water audits to identify process-level optimisation opportunities.
- Rooftop rain water collection and reuse for Boilers.
- Runoff rainwater collection and reuse for greenbelt during non-rainy days.
- High pressure jets for equipment cleaning.
- Automatic glassware washing machines at QC labs.

1,59,000KL
Wastewater treated and recycled across our operations

4
Large Facilities Zero Liquid discharge

100%
Wastewater treated and reused in ZLD facilities



Energy Efficiency and Climate Action

In line with our decarbonisation priorities, we have taken significant steps towards cleaner energy and higher operational efficiency. A major initiative is the ownership of two windmills, one in Andhra Pradesh and another in Tamil Nadu, which play an important role in supplying renewable power to our operations. This is complemented by on-site solar and off-site wind energy installations, as well as renewable power procurement through third-party PPAs, which together reduce dependence on fossil fuel-based energy. In parallel, we are increasingly adopting green and clean fuels to meet our thermal energy needs. Our efficiency drive is further supported by advanced systems such as LED lighting, IE3 motors, VFDs (Variable Frequency Drives), and Building Management Systems (BMS) that regulate energy use in controlled environments like HVAC and R&D labs.

Key Initiatives

- Integrated solar PV systems across multiple units
- Shifted to **energy-efficient HVAC systems** and motorised equipment
- Replaced conventional lighting with LEDs across plants
- Commissioned energy audits at API and formulation units

20,060 MWh

Renewable Energy Generated

1,054 MWh

Energy saved through energy conservation measures implemented

14,582 Mt

CO_2e avoided through clean energy use

Emissions and Air Quality Management

We maintain strict control over both point and fugitive emissions through multi-stage air pollution control equipment, including scrubbers, bag filters and activated carbon beds. Continuous Emission Monitoring Systems (CEMS) are installed at major stacks to ensure real-time compliance. We have adopted process improvements and material substitutions that reduce emissions at source, in addition to tracking Scope 1 and Scope 2 emissions as part of our ESG roadmap.

Key Initiatives

- CEMS for real-time monitoring of emissions
- Advanced scrubbers and scrub towers installed at high-emission units
- Transition to low-sulphur fuels and improved combustion efficiency
- Ongoing replacement of high-GWP refrigerants in cooling systems

95%+

Emission capture efficiency across key stacks

100%

Compliance with ambient air quality standards at all locations

Waste Minimisation and Green Chemistry

We have adopted a cradle-to-cradle philosophy, where waste is not a burden but a resource to be repurposed. Our hazardous waste is stored, handled and disposed of in strict accordance with regulatory norms, including pre-processing in co-processing units to ensure zero landfill. We have also invested in solvent recovery systems and green chemistry protocols to reduce the environmental load of manufacturing processes.

Hazardous Waste - Managed through pre-processing and co-processing in authorised cement kilns, treatment at TSDFs, and structured recycling of used oil, e-waste and batteries through licensed recyclers and buy-back systems.

Biodegradable Waste - Organic waste is processed through converters to generate compost for landscaping across facilities.

Non-Hazardous Waste - Includes paper waste recycled through ITC, combustible waste sent for co-processing, and metal/plastic scrap managed through authorised partners under EPR obligations.

Effluent and Sewage - Wastewater is treated using ZLD, ETP and STP systems to meet environmental norms.

Key Initiatives

- Installed solvent recovery systems with >90% recovery rates
- Replaced hazardous reagents with safer alternatives in API synthesis
- Pre-processed hazardous waste through authorised cement kilns

4,694 Tonnes

Waste is safely recycled or co-processed

2,765 KL

Solvents recovered and reused/ recycled through authorized solvent recovery agencies

4

Manufacturing facilities achieved Zero waste to landfills status

About 3%

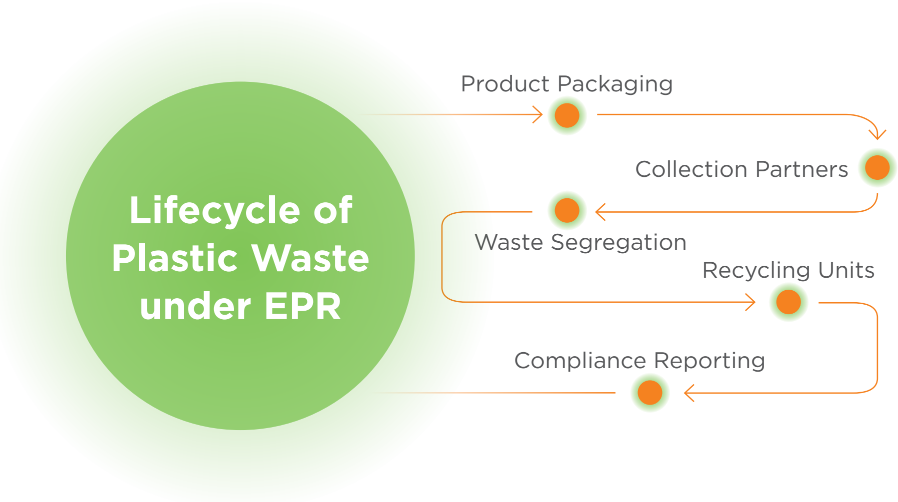
Waste sent to secured landfills

About 98.50%

Waste is diverted from landfills in three manufacturing facilities

Packaging and Plastic Waste Reduction

We address post-consumer packaging waste through material reduction, recycling and compliance with Extended Producer Responsibility (EPR). By optimising packaging design and using recyclable inputs, we reduce plastic intensity across formulations and finished dosages. Our EPR strategy is supported by registered Producer Responsibility Organisations (PROs) and all reporting is aligned with State Pollution Control Board requirements.



Key Initiatives

- Reduced primary and secondary packaging weight by 15–20%
- Shifted to recyclable HDPE and PET containers where possible
- Met EPR compliance through accredited PROs in multiple states

100%

Compliance with EPR obligations

>50%

Packaging material recyclable by design

Workplace Sustainability and Environmental Training

At NATCO, environmental performance stems from employee awareness and operational discipline. We conduct regular training programmes across levels to ensure safe handling of chemicals, segregation of waste, spill response and energy conservation practices. Emergency drills are conducted for scenarios such as effluent overflows, gas leaks and fire incidents.

Key Initiatives

- Periodic refresher courses on hazardous material handling
- Quarterly mock drills on emergency preparedness
- Site-wide awareness campaigns on environmental best practices

5,000+

Employee-hours of environmental and EHS training conducted

100%

Manufacturing facilities conducted atleast two emergency mock drills during the year

Preserving Biodiversity and Green Infrastructure

Our environmental vision extends beyond compliance, encompassing ecosystem restoration and biodiversity enhancement. We integrate green belts into plant layouts, preserve native species and maintain buffer zones around critical infrastructure. Plantation drives and landscaping activities not only improve aesthetics but also support pollinators and local ecology.

Key Initiatives

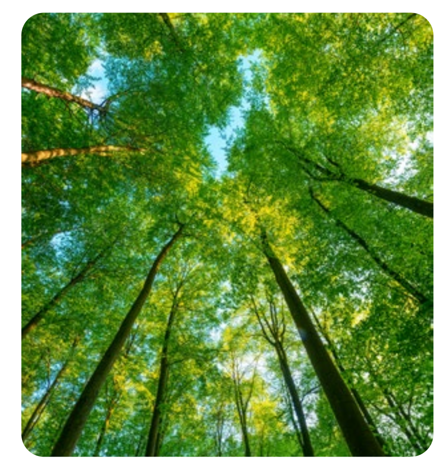
- Developed biodiversity zones around API and formulation units
- Partnered with local nurseries for native species plantation
- Maintained over 30% green cover at major facilities
- Avoided disturbance to ecologically sensitive zones during expansions.

40,000+

Trees and plants maintained across campuses

>30%

Green cover across key industrial units



Our People

Empowering the core of our success

We nurture a work environment where individuals feel connected and acknowledged. Our culture encourages both personal and professional growth, fostering a spirit of trust, openness and collaboration. We aim to provide a space that empowers our employees to share their voice with confidence, exchange ideas freely and grow along with the organisation.

It is essential to navigate the challenges of this dynamic landscape, particularly given obstacles pertaining to availability, retention and gender representation. We have tailored our people strategy to address these problems through targeted learning, inclusive practices and long-term capability development. We have equipped our workforce to remain agile and drive sustainable business outcomes.

5,000+

Global employee headcount

Talent management

We have built a dedicated talent pool to address the industry-wide shortage of skilled professionals. To support our recruitment efforts, we offer a structured three-month classroom training programme for technical pharmaceutical graduates, accompanied by a stipend.

We maintain strong partnerships with various educational institutions to source fresh talent. Our talent management strategies have significantly contributed to enhancing employee retention over time. Through our performance management system, we recognise high achievers across the organisation. Further, for our senior management team, we provide tailored training and advisory programmes designed to equip them for future leadership roles and challenges.

Moreover, we encourage cross-functional exposure at the middle management level, enabling broader organisational understanding and holistic skill development. Our policies are designed to promote inclusive growth and development for employees at every level within NATCO.

New hires in FY25

Male 794

Female 105

85.73%
Employee retention rate

21.55%
Job creation in rural location

Training and development

Our training and development initiatives focus on enhancing employee skills, supporting their well-being, ensuring compliance and promoting a culture of quality and leadership. These programmes are carefully designed to ensure our employees contribute to our growth story.

28
Average training hours per year

Health, Safety and Well-being Training

These sessions stand as a testament to our unwavering dedication to promoting employee health awareness and ensuring workplace safety

- Health Talk on Orthopaedic Session
- Health Talk on Nutrition
- Awareness Programme on Common Gynaec Problems
- POSH Interactive Session – Female Employees
- CPR Training
- ESI benefits
- How to Be Happy at Any Work You Do

Technical and Quality Excellence Training

We provide specialised technical skills and quality culture training to ensure product integrity, regulatory compliance and operational excellence.

- Data Assurance Throughout the Product Lifecycle
- Computer System Validation
- Filtration School – Aseptic Filter Validation
- Prevention of Contamination & Cross Contamination
- Workshop on Quality Culture as per Revised Schedule-M
- Audit Behaviour and Quality Culture
- Quality Marshals (Quality Behaviour and Quality Culture)
- Importance of Regulatory Affairs and Current Expectations

Cybersecurity and Digital Skills

With increasing reliance on digitalisation, these programmes focus on improving cybersecurity awareness and enhancing computer proficiency.

- Awareness Session on Cyber Security
- Computer Skills Program
- Advanced Excel Training Programme

Leadership, Behavioural and Soft Skills Development

These programs nurture leadership qualities, improve workplace behaviours and develop supervisory and team-building skills.

- Team Building
- Leading for Acquiring and Engaging Talent
- Unleash Your Potential Skills (Supervisory Development Programme)
- Leadership Skills and Time Management
- Workplace Behaviours
- Human Rights
- Environmental Stewardship for Industry Managers

Performance management

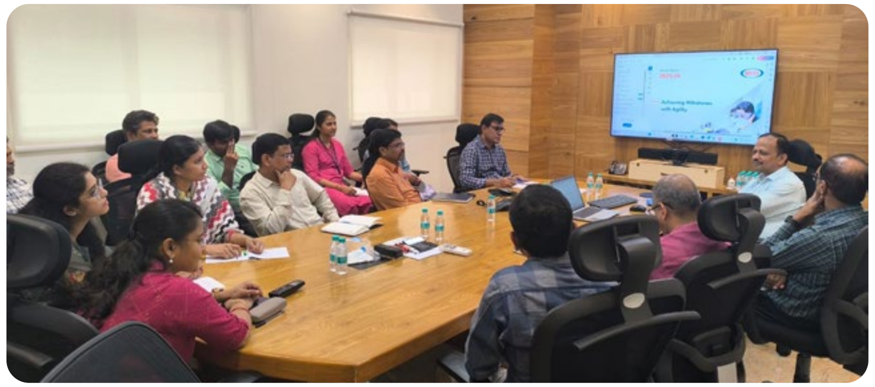
We strive to build an empowering culture that focuses on clear goal setting, regular performance discussions and continuous learning opportunities. Our Performance Management System provides clarity, coaching and support to our employees to help them excel and grow. We believe this strong framework is essential for driving achievement, development and engagement.

- Clear, collaborative goal setting aligned with company vision
- Ongoing feedback to recognise achievements and identify improvement areas
- Comprehensive annual or bi-annual performance reviews
- Tailored career development plans to support employee growth
- Merit-based promotions reflecting skills and organisational needs
- Targeted training programs to enhance skills and preparedness

Employee engagement

We understand that employee engagement is crucial for maintaining strong retention rates and ensuring a sense of belonging within the organisation. Our engagement efforts include rewards and recognition programmes aimed at enhancing employee productivity. We also plan to introduce a retention bonus scheme in the next financial year. Further, our open-door policies promote meaningful interaction between employees and the senior leadership team.

- Recognising talent and engagement in the right projects
- Competative awards for higher achievers
- 5 S implementation
- Incentivisation of regularity
- Long service awards
- Festival celebration at each plant
- Women's day celebration
- Driving CSR engagement
- Blood donation drives
- Sports events at factories
- Employee children education assistance



Employee wellbeing

We believe a healthy, engaged workforce is the key to our success. To ensure holistic growth, we provide comprehensive benefits, including work-life balance, strong alignment with our vision and values, open management relationships and career levels.

- Group Medical Insurance
- Compensated Absences (Earned Leave)
- Gratuity Scheme
- Transition Assistance
- Provident Fund Contributions
- Performance-based Incentives
- Occupational Health Centres
- On-site Medical Staff
- Daycare Facilities
- Group Life Term Policy
- Health Camps
- Annual Health Checkups

Occupational health and safety

We maintain a safe and healthy work environment by adhering to stringent EHS policies and international standards, including maintaining ISO 14001:2015 and ISO 45001:2018 certifications at multiple manufacturing sites. Our comprehensive safety management system incorporates risk assessments, audits and strict controls to mitigate workplace hazards, supported by robust processes such as change management and personal protective equipment provisions.

We promote a safety-first culture by engaging employees through training, awareness programmes and open communication channels. Further, we emphasise hygiene and compliance with Good Manufacturing Practices (GMP), ensuring workplace cleanliness. Additionally, we uphold operational safety through well-maintained fire and alarm systems, regular safety reviews and disciplined housekeeping. Our collaborative approach empowers the workforce to identify risks, report concerns and contribute to continuous improvement in occupational health and safety standards.

Gender diversity

Our recruitment policies and talent management efforts are dedicated to enhancing gender diversity across the Company. We have also implemented various initiatives to support the career advancement of our women employees while reducing attrition. As a result of our initiatives, gender diversity has improved notably in our corporate office, and moving forward, we aim to develop strategies to strengthen diversity at our factory locations as well.

17.5%

Women employees at the corporate office

21%

Women employees at the Kothur plant and NATCO Research Centre (NRC)

CSR

Serving the society

With a strong purpose, we remain resolute in our mission to give back to the society. Our CSR initiatives focus on improving healthcare, education and livelihood opportunities for underprivileged populations. Further, our dedicated CSR committee oversees effective implementation, ensuring these programmes drive tangible, positive social change.

Established in 1995, NATCO Trust is our dedicated social development arm, actively working across Telangana, Andhra Pradesh and other regions. Through the Trust, we aim to serve rural and underserved communities, making a difference in the process.

NATCO Trusts

Vision

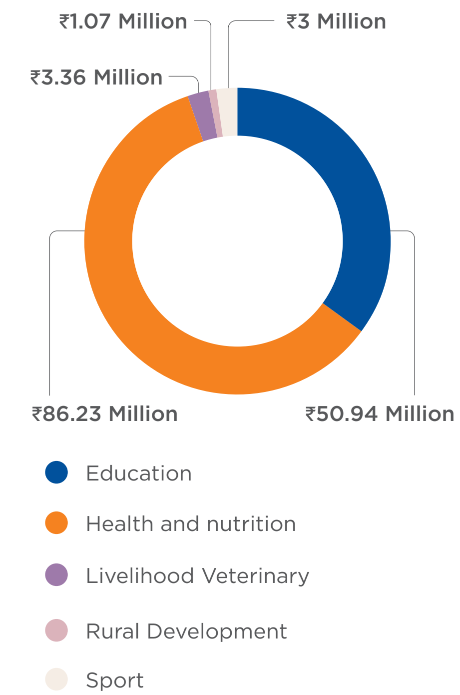
Natco Trust strongly believes that a true society can be built by strong minds and committed hearts

Mission

To provide such support and service to the society which would have long standing impact on improving the lives of the individuals benefitting thereof

Budget Allocation (spent for the year)

(in ₹)



Education

Our efforts are dedicated to delivering quality education to rural communities, offering opportunities for growth and development. Under NATCO Trust, we operate two CBSE schools located in Rangapur and Guntur districts, managed in partnership with Hippocampus Learning Centres. Additionally, volunteers teach at Anganwadis across Kothur, Nagarjunsagar, Hyderabad and Guntur. We provide post school tuitions to supoprt primary education in government schools.

We offer coaching to Gurukuls - fully government-funded residential schools in Telangana for students from 5th to 12th grade. For over 15 years, we have supported the NATCO Government High School in Hyderabad by providing financial and teaching assistance.

Gurukul Coaching

NATCO Trust provides intensive coaching for Gurukul entrance exams, primarily targeting Class 4 students from government schools. The initiative has expanded to include applications for minority residential schools, Eklavya and other competitive residential institutions in Telangana. This approach aims to broaden access to quality education for underprivileged communities.

128
Students received coaching

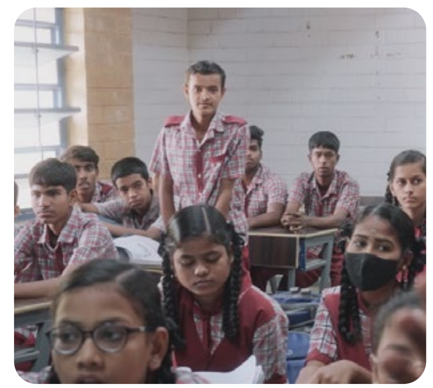
88
No. of seats secured in gurukul institutions

Support for Government Schools

The government schools supported by NATCO Trust have recorded significant improvement in a student's overall academic performance, especially in the 10th board exams.

8
Primary schools 1,160 students benefited

4
High school's 3,282 students benefited



Bala Vikasa Kendras:

At our Bala Vikasa Kendra in Thangilla Thanda and Thatigadda Thanda, pre-primary education is student-centred and self-paced. Interactive tools such as games, charts, sand tracing, and worksheets are incorporated to make the learning environment fun for the student. **BVK Thangilla Thanda located at Nagarjuna Sagar has 11 children enrolled** in the academic year 2024-25 and BVK Thatigadda Thanda located at Kothur Location has 13 children enrolled.

FLN Mission

Additionally, we support Central Square Foundation in their mission to strengthen Foundational Literacy and Numeracy (FLN) across primary schools in Medchal-Malkajgiri and Bhadradri Kothagudem districts covering 69,700 students from 1,356 primary schools.

Post-School Engagement

Our post-school engagement programmes in Nagarjunasagar, Kothur, Mekaguda and Gollamudipadu encompass strong community involvement. Instructors initially provide support to students needing extra help,inculcating peer learning and improving FLN competencies. This helps in building confidence and improving academic outcomes.

16
Post school tuitions in 3 locations

14
Teaching volunteers contributing to improvement of 632 students

Anganwadi ECE Program by NATCO Trust

The NATCO Trust's School Readiness Programme is designed to ensure a smooth and beneficial transition for children from Anganwadis to government primary schools. By focusing on foundational competencies in language, numeracy, cognitive skills and self-care, the initiative aligns with state and national education goals to prepare children for formal education.

713
Children benefitted

Implementation Approach

The program follows the Telangana pre-school framework – Priyadarshini, guided by ECE experts from RIVER in classroom engagement and content delivery. While Anganwadi Teachers oversee overall child welfare, the assistant educators focuses on the education and development of the children. Classrooms are redesigned with age-appropriate teaching-learning materials and daily schedules are structured to support holistic child development.

Community and Learning Outcomes

The initiative has improved children's learning outcomes, hygiene habits and confidence. With full-day engagement, active parent involvement and regular assessments, the programme builds strong early educational foundation while enhancing trust and fostering collaboration between parents, teachers and the community.

A Parent's Perspective – Kothur

My daughter has shown remarkable improvement since she began attending the Anganwadi centre with the support of an assistant educator. Every evening, she excitedly recounts the day's activities, elaborating upon her lessons, stories and rhymes she enjoyed as well as the games she played. She now confidently recognises Telugu and English alphabets, counts numbers and sings rhymes fluently. Additionally, she is more aware of her personal space and politely communicates with others. The assistant educator has played a key role in nurturing her growth academically, emotionally and socially.

A Parent from Kothur

Empowering Education Delivery

I started as an Assistant Educator at NATCO Trust in 2018. After receiving training in the RIVER MGML methodology in 2024, I have been able to handle multi-grade classrooms more efficiently. Further, regular refresher sessions and feedback from mentors have improved my teaching skills and helped children learn faster. It gives me immense joy to witness the happiness of parents who attend our monthly meetings. Many even compare the learning outcomes to those of private preschools, while also appreciating the reduced financial pressure thanks to government support.

Rajitha, Assistant Educator, Rangapur 1 AWC

Healthcare

Our healthcare initiatives encompass a wide range of services, including water plants, patient counseling, mobile clinics and hospital infrastructure. We support four major government hospitals in Hyderabad with dedicated staff to guide patients. Our mobile health facilities aid in enabling access to quality healthcare in the remote villages. Our investments include a dedicated cancer care block at Guntur General Hospital, expanded hospital wards and specialised units for pediatric oncology.

Natco cancer centre at Guntur General Hospital

NATCO Trust, in partnership with the Government of Andhra Pradesh, established the NATCO Cancer Centre at Guntur General Hospital, offering comprehensive cancer care to numerous patients statewide. As the only 100% level-1 centre in Andhra Pradesh, it serves as a nodal cancer hospital for patients diagnosed with cancer. To meet rising demand, NATCO Trust has signed an MoU to build a 100-bed extension block, further expanding care for underprivileged patients.

2,100+
No. of beneficiaries

5,582
Chemo cycles

862
Surgeries

809
Radiation cycles

NATCO Mobile Health Clinic

The Natco Mobile Health Clinic, 'Sanjeevani', delivers quality primary healthcare to underserved communities in Nalgonda and Ranga Reddy districts. Equipped with a doctor, nurse and pharmacist, these mobile units provide essential medical services and free medicines in remote areas. NATCO Trust currently operates two such clinics in the Nagarjunasagar and Kothur project regions.

38
Villages covered

₹32,12,067
Worth of Medicines supplied

7,439
No. of beneficiaries
Male [3,562], Female [3,877]

29,030
Consultations

NATCO Digital Primary Healthcare Centre

Located in Mekaguda village, Ranga Reddy district, the Natco Digital Primary Healthcare Centre offers free diagnostic testing, teleconsultations and pharmaceutical support to local communities, significantly reducing travel time and saving crucial time of the patients.

3,900
No. of investigations

₹34,23,726
Medicines supplied

4,167
Total Consultations Beneficiaries
(Male 1,662 Female 2,505)

NATCO Trust's Support to Government Hospitals

NATCO Trust provides infrastructure, personnel and medicines to four government hospitals in Hyderabad Osmania, Gandhi, Niloufer and MNJ Cancer Hospital. We constructed an OPD block at Niloufer and a pediatric cancer care ward at MNJ Cancer Hospital, alongside counselling services and other support.

3,49,255

Footfalls

4

Hospitals covered

NATCO Eye Centre, Kothur

The NATCO Eye Centre in Kothur offers comprehensive eye care services to underserved communities, operating as a Secondary Eye Care Centre in collaboration with LVPEI. The centre provides free outpatient and surgical services, including cataract surgeries, alleviating the financial burden on patients and ensuring access to essential eye care.

28,287

No. of OPD Consultations

2,726

Cataract surgeries
Male [1,062] Female [1,785]

New NATCO Eye Centre, Ponnur

In FY25, NATCO Trust opened a new Secondary Eye Care Centre near Ponnur, Andhra Pradesh, in collaboration with LVPEI. This centre follows the footsteps of the successful Kothur facility, extending accessible eye care to economically disadvantaged communities in the region.

1,689

No. of beneficiaries

17,500 sft

Total built up area

Veterinary Support for Rural Communities

NATCO Trust supports animal husbandry in Nandigam and Kothur mandals. We provide essential veterinary medicines and also organise health camps for farmers and their livestock. Our team, including veterinary professionals, works closely with government veterinarians to ensure continued animal health and welfare. Through a cost-sharing model, we supply important minerals and treatments to improve cattle productivity, contributing to the sustainability of local dairy farming and related industries.

1,500

Cattle benefitted
98 shed

6,170

Diary cases treated

₹ 38,63,193

Worth medicines donated

Supporting Access to Dental Care

In FY25, NATCO partnered with a government dental college to provide dental treatment services, improving access to oral healthcare for the underserved communities.

267

People benefitted

Health Camps and Blood Donation Drive

Medical Camps conducted on Founder's Day Blood donation camps at 11 locations -1317 donors, General Health Camp conducted in Gollamudipadu village, 124 people benefited Eye Screening Camp conducted in Gollamudipadu village, 366 people benefited Orthopaedic camp conducted in Gollamudipadu village, 185 people benefited.

124

People benefited Eye Screening Camp

Other Medical Camps

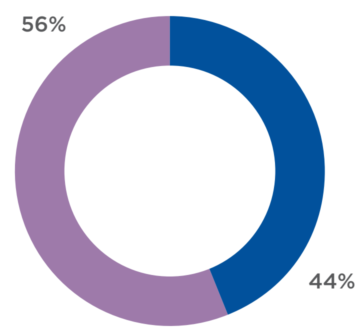
We believe that small action make large impact, therefore, we encourage sustainability at the grassroots level. Our kitchen garden initiative provides seeds to rural households, enabling them to grow their own organic produce. This supports healthy farming practices and helps families lower their food expenses.

Keeping integrity at the fore

Our governance is driven by a pragmatic approach, firmly rooted in sectoral knowledge, regulatory clarity and acute business foresight. Our Board and its committees bring a strong blend of pharmaceutical industry expertise, financial and legal acumen and global perspective. Through well-defined policies and oversight mechanisms, we focus on risk mitigation, succession planning and long-term value creation, all while steadfastly maintaining operational integrity. We progress with integrity, upholding the highest standards of corporate governance to serve all stakeholders.

Board composition

(in %)



- Executive Directors
- Non-Executive Independent Directors

11%

Board diversity ratio

Our committees

We have constituted various Board and management-level committees to ensure focused oversight, robust compliance and astute strategic guidance across key areas of the organisation. These committees operate with clearly defined roles and responsibilities, supporting for an effective governance of the Board and facilitating informed decision-making.

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Compensation Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Buyback Committee
- Committee dealing with Land Property
- Internal Complaints Committee
- Environmental, Social and Governance Committee

Our policies

A comprehensive set of policies that promote transparency, accountability and responsible conduct guide our governance practices. These policies ensure seamless operations, support regulatory compliance and align the organisation's actions with stakeholder expectations.

- Risk management policy
- Code of practice and procedure for fair disclosure 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

Board Competencies and Strategic Oversight

Our Board synergises a diverse range of skills and experiences critical to steer the Company towards sustainable growth. The collective expertise of our directors supports informed decision-making, effective risk management and sound governance. Each Board member helps in improving oversight across the business value chain.

Key Areas of Expertise Represented on the Board

Leadership and Management

Strategic decision-making, risk oversight, organisational transformation, succession planning and long-term growth

Finance and Accounting Knowledge

Proficiency in financial reporting, accounting standards, internal controls and audit processes

Governance

Experience as board members and understanding of corporate governance frameworks and practices

Industry Knowledge

Insight into core business segments and operational dynamics relevant to our sector

Legal and Regulatory Knowledge

Experience in legal and regulatory environments, with understanding of sector-specific compliance matters

Sales, Distribution and Brand Marketing

Skills in driving sales strategies, building distribution networks, and strengthening brand equity

International and Global Perspective

Understanding of global markets, business diversification strategies, and emerging international trends

Operations

Expertise in operational planning and execution across various functions of the organisation

Technology

Awareness of evolving digital trends, IT systems, and their impact on business models

Board of Directors

Sri V. C. Nannapaneni
Chairman
and Managing Director

Sri Rajeev Nannapaneni
Vice Chairman and CEO

Sri P.S.R.K Prasad
Director and
Executive Vice President
(Corporate Engineering Services)

Dr. D. Linga Rao
Director and President
(Technical Affairs)

Sri D. Vijaya Bhaskar
Independent Director

Sri A.D.M. Chavali
Independent Director

Sri Lakshminarayana Bolisetty
Independent Director

Dr. Kantipudi Suma
Independent Director

Sri Nitin Jain
Independent Director

Management Team

Appa Rao S V V N
Chief Financial Officer

Dr. Pulla Reddy M
Executive Vice President - R&D
(Superannuated w.e.f. 30th June, 2025)

Dr. Ramesh Dandala
Executive Vice President – Technology Transfer, Intellectual Property Rights and Regulatory Affairs (API)
(Superannuated w.e.f. 3rd April, 2025)

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

Rajesh Chebiyam
Executive Vice President,
Crop Health Sciences

Dr. Gopalakrishnan Vaidyanathan
Senior Vice President - Analytical R&D

Lakshminarayana A
Senior Vice President - HR & OD

Ramakrishna Sridhar Reddy
Senior Vice President - Corporate Q.A
(Resigned w.e.f. 30th June, 2025)

Srinivas Ch
Senior Vice President – Demand and Supply Planning
(Superannuated w.e.f. 30th June, 2025)

Sunil Kotaru
Senior Vice President –
Supply Chain Management

Suryanarayana Reddy Malti
Senior Vice President
- Quality Assurance

Imtiyaz Basade
Senior Vice President-RAD
(Appointed w.e.f. 4th November, 2024)

Bhimrao Dattu Jadhav
Senior Vice President
-Operations (Formulations)
(Appointed w.e.f. 3rd March, 2025)

Yarramshetty Krishna Rao
Senior Vice President-Operations
(Appointed w.e.f. 16th June, 2025)

Venkat Rao Tummala
Vice President - Production
(Superannuated
w.e.f. 31st March, 2025)

Dr. Rampalli Sriram
Senior Vice President - CRD

Sandeep Kumar
Senior Vice President -QA

Gnanadeva Chalapathy Gudipati
Vice President - Analytical
Research & Development

James Rajakumar
Vice President -
Marketing & Sales, Domestic

Nadella Malleswara Rao
Vice President – Head Operations

Kurra Venkata Sreenivasa Babu
Vice President - Operations

G. Vasan
Vice President - Operations
(w.e.f. 27th February, 2025)

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
(w.e.f. 1st June, 2025)

T.C. Mallikarjuna
Vice President - QC
(Appointed w.e.f. 30th July, 2025)

M.Prabhakar Rao
Vice President - IT & IS
(w.e.f. 18th July, 2025)

M Vamsi Krishna
Associate Vice President - CSR

Amresh Kumar Trivedi
General Manager - Legal

Venkat Ramesh Ch
Company Secretary &
Compliance Officer

Management Discussion and Analysis

Economic Environment

Global Economic Environment[1]

The world economy suffered setbacks yet recorded steady growth of 3.3%, as weak performance in Europe was offset by strong expansion in the United States.

Global inflation continued to moderate, with an annual average down from 6.6% in CY2023 to 5.7% in CY2024, driven primarily by advanced economies returning toward their inflation targets. The US Federal Reserve reduced interest rates, to stimulate liquidity into the economy, by 25 basis points for a total cut of one percentage point over the past year, bringing rates to 4.25–4.50%.

Governments across the globe have taken selective policies, such as financing infrastructure development, widening social protection programs and providing incentives to businesses-to shore up their economies and insulate from geopolitical shocks. Investor sentiment was subdued by Middle Eastern and European geopolitical tensions, weaker growth in China and policy changes in the US, as indicated by increasing bond yields in most advanced economies.

[1]https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025

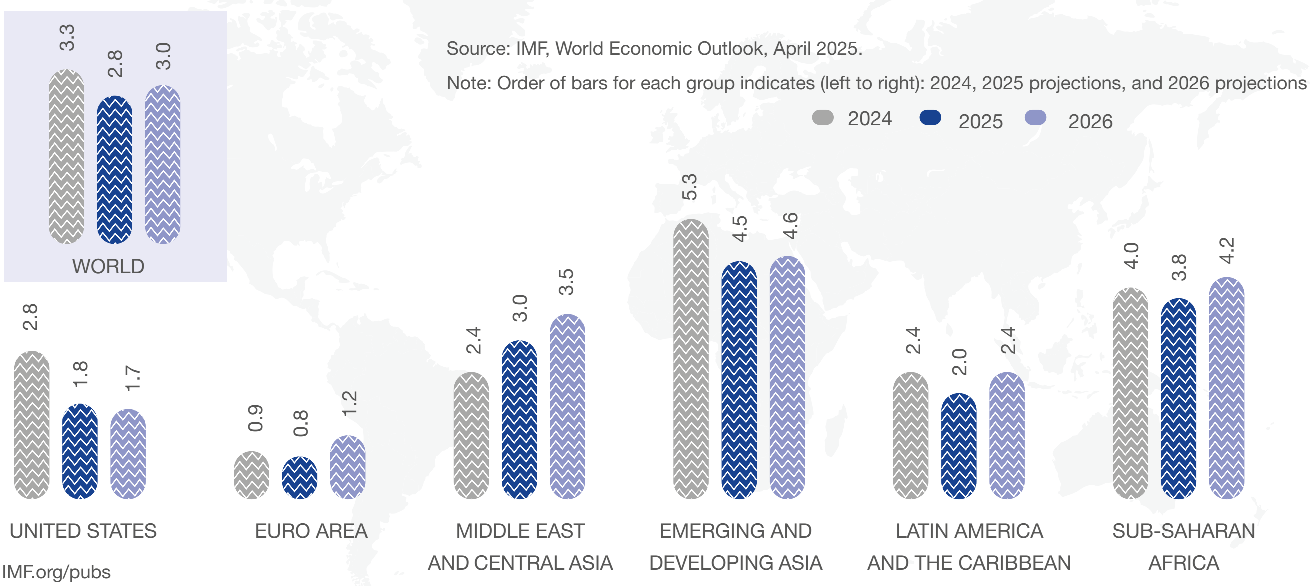
In developed economies, governments have introduced structural changes that harness digital technologies and green investments to tackle demographic changes and productivity differentials. At the same time, emerging and developing economies have registered sustained growth, boosted by softening inflationary pressures and strong manufacturing bases.

Outlook

Global GDP growth is projected to moderate to 2.8% in 2025 and 3% in 2026 term as policy makers adapt policy and trade uncertainty continues. Ongoing disinflation is anticipated amid a slowing labour market and decreasing oil prices owing to increased output and weak Chinese demand, potentially triggering divergence between European and US central bank monetary policies. Global headline inflation is expected to decline to 4.2% in 2025 and further to 3.5% in 2026. According to the IMF, inflation in advanced economies is anticipated to return to central bank targets, in contrast to emerging and developing economies, where inflation may persist at higher levels.

Healthy aging policies, technological innovation, and increased labour force participation-particularly among older workers and women-can reduce fiscal pressures and promote growth. Keeping credible monetary and fiscal policies in place will anchor inflation expectations in all economies. Sound budget management is necessary to maintain financial buffers, and investment in robust infrastructure can raise long-term productivity. Structural changes combined with increased international cooperation will guide through uncertainty, leading to both domestic and global economic stability on a more sustainable growth trajectory.

Global Growth Projections (in %)



Indian Economic Environment[2]

India's GDP grew by 6.5% in FY2025, demonstrating strong resilience in the face of global economic uncertainty and geopolitical tensions. Urban consumption has moderated, with rural demand holding up due to strong agricultural production. The services sector drove the growth again, while manufacturing exports in high-value sectors like electronics, semiconductors, defence products, and pharmaceuticals remained robust despite supply chain interruptions in the Red Sea.

Fiscal control maintained the deficit at 4.4-4.5% of GDP, leaving room for further government expenditure to propel demand. A rise in funds for the Pradhan Mantri Jan Arogya Yojana (PMJAY) will increase health insurance coverage, adding to demand for healthcare services. Investment in infrastructure increased by 38.8% from FY2020 to FY2025, and although capital spending in the first half of FY2025 was restrained, increased outlays later this year are forecast to boost demand and induce private investment.

[2] https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF

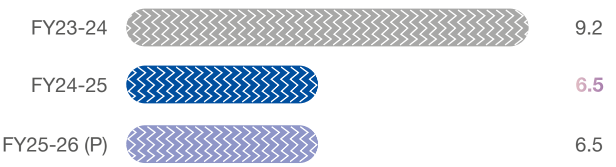
Outlook

In the future, India will continue to be among the global fastest-growing economies, with its growth picking up pace on the back of declining inflation, good monsoons, and robust rural consumption. GDP growth is projected at 6.5% in FY2026 on the back of substantial income tax subsidy in the Union Budget and higher consumer expenditure due to the 8th Pay Commission. Retail inflation is expected to stabilise around 4%, remaining within the RBI's target range.

Ongoing trade tensions and volatile tariffs can constrain export growth and discourage business investment. Supply chain resilience and foreign direct investment diversification will be critical to maintaining export momentum. At home, policies that raise labour-force participation, improve skills training, and raise rural incomes can enhance productivity. Improved migrant integration and targeted upskilling initiatives will also ease potential workforce shortages.

Prudent fiscal policies, wider financial inclusion, and more robust digital infrastructure can sustain buffers against potential shocks. Collective action on trade and investment across the globe, along with coherent and credible policy, will be essential to sustaining external stability and ensuring a sustained path towards inclusive, sustainable growth.

India's real GDP growth (in %)



P: (Projected)
Source: RBI Bulletin April 2025

Industry Overview

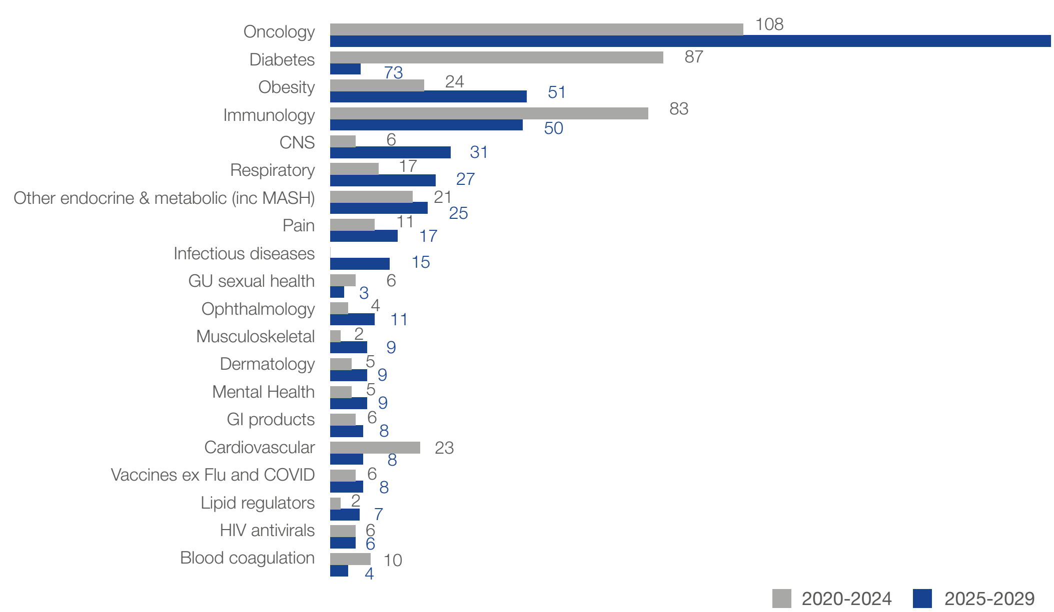
Global Pharmaceutical Industry[3]

Global total prescription drug sales was valued at $ ~1.1 trillion in 2024.[4] The market is expected to grow annually at ~7.7% over the next five years. By 2030, total pharma sales is projected to cross $1.7 trillion. By type, the prescription segment held the major market share of 87% in 2024.

Global pharmaceutical firms collectively spent over $300 billion on research and development in 2024. They are leveraging technology to expand access, raise awareness and enhance screening technologies that enable early diagnosis and treatment. Through partnerships with other players in the healthcare value chain, these companies provide patient-centric solutions such as mobile apps for personalised support and educational programs that drive clinical outcomes and overall quality of life.

Oncology, diabetes and obesity to lead absolute growth through 2029, while immunology slows due to biosimilars

Exhibit 43: Top 20 therapy areas growth comparison in terms of global spending, const $US



Source: IQVIA Forecast Link, IQVIA Institute, May 2025.

[3]https://www.evaluate.com/thought-leadership/world-preview-2024-report/

[4]https://www.spglobal.com/ratings/en/research/articles/250203-pharmaceutical-industry-2025-credit-outlook-is-stable-as-healthy-revenue-growth-mitigates-pressures-13394024

In the next five years, oncology is forecast to add $189Bn in global sales, up from the $108Bn in growth in the past five years. Diabetes growth is expected to slow to $73Bn through 2029, from the $87Bn five-year growth to 2024. Obesity growth is set to more than double to $51Bn from the $24Bn previously. GLP-1 drugs overall across both diabetes and obesity have grown from $17Bn globally in 2019 to $110Bn in 2024, adding $93Bn in five years, with $70Bn of that growth relating to drugs which were initially approved for diabetes. Through the next five years GIP/GLP-1 drugs are expected to be more driven by obesity, as well as potentially other diseases including sleep apnea, cardiovascular risk prevention, and total GIP/GLP-1 spending in 2029 is projected to approach $200Bn.

Outlook

The industry will aim to expedite approval of new treatments, most notably personalised medicines, without compromising on pricing pressures and accessing growing markets. Oncology is expected to lead in terms of value, while immunomodulators will maintain growth momentum. Obesity and central nervous system therapies are expected to drive further expansion.

Industry also will be driven by volume growth, the highest volume growth over the next five years is expected in China, India and Asia-Pacific, all exceeding 3% compound annual growth.

Pharmaceutical companies are expected to navigate an evolving macro-economic environment with caution. As Asia, the Middle East, and Latin America become more populous, biopharmaceutical companies are seeking these markets, while traversing separate regulatory and economic landscapes, to extend access to groundbreaking treatments to unserved patients.

Exhibit 39: Global Medicine Spending and Growth by Product Type

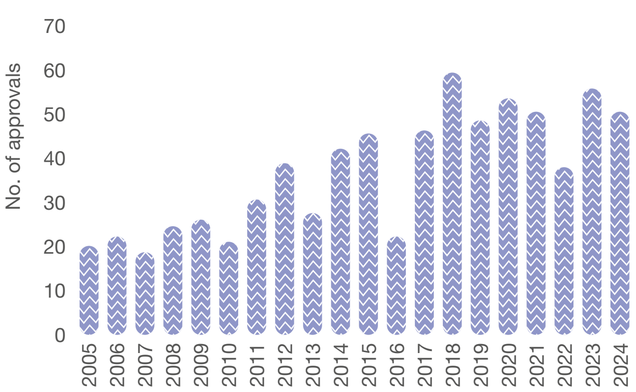
	ORIGINAL BRANDS	NON-ORIGINAL BRANDS	UNBRANDED GENERICS	OTHER	TOTAL
Spending 2024 (US$Bn)					
Global	1,184.3	235.3	166.5	163.7	1,749.8
Developed	1,091.6	120.6	124.6	84.7	1,421.5
10 Developed	964.6	70.3	107.0	52.6	1,194.5
Other developed	127.0	50.3	17.6	32.1	227.0
Pharmerging	88.4	106.3	41.1	76.5	312.2
Lower-income countries	4.4	8.4	0.8	2.6	16.1
Constant Dollar CAGR 2020–2024					
Global	9.3%	4.3%	4.8%	5.4%	7.7%
Developed	9.4%	5.0%	3.9%	5.0%	8.2%
10 Developed	9.6%	3.7%	3.3%	3.6%	8.2%
Other developed	8.1%	7.1%	8.3%	7.6%	7.8%
Pharmerging	8.4%	3.7%	7.6%	6.0%	6.0%
Lower-income countries	-0.8%	1.5%	3.3%	2.1%	1.0%
Spending 2029 (US$Bn)					
Global	$1685–$1715	$270–$300	$170–$200	$180–$210	$2,355–$2,385
Developed	$1,555–$1,585	$135–$165	$120–$150	$95–$115	$1,945–$1,975
10 Developed	$1,370–$1,400	$75–$95	$105–$125	$58–$62	$1,635–$1,665
Other developed	$175–$195	$58–$62	$18–$22	$43–$47	$295–$325
Pharmerging	$115–$135	$120–$140	$40–$60	$80–$100	$375–$405
Lower-income countries	$3–$7	$8–$12	$0.7–$1.1	$2.5–$3.5	$18–$22
Constant Dollar CAGR 2025–2029					
Global	6–9%	3.5–6.5%	1–4%	2–5%	5–8%
Developed	6–9%	0.5–3.5%	-0.5–2.5%	0.5–3.5%	5.5–8.5%
10 Developed	6–9%	4–7%	0.5–2.5%	0.5–3.5%	5–8%
Other developed	6–9%	4.5–7.5%	5.5–8.5%	4.5–7.5%	5.5–8.5%
Pharmerging	7–10%	2.5–5.5%	2.5–5.5%	2.5–5.5%	3.5–6.5%
Lower-income countries	4–7%	1–4%	0–3%	1.5–4.5%	2–5%

Source: IQVIA Market Prognosis, May 2025; IQVIA Institute, May 2025.

Global medicine spending, the amount spent purchasing medicines from manufacturers before off-invoice discounts and rebates, is expected to reach US$ 2.3 Trillion by 2028 - growth rate of 6-9% per year. Key drivers of growth through the forecast period include the contribution of new products and the impact of patent expiries, including the growing impact of biosimilars. Higher adoption of speciality medicines for treating chronic, complex or rare conditions in the developed markets and volume-driven growth in the pharmerging markets would also be key pillars of growth

US Pharmaceutical Industry[5]

The US pharmaceutical market is estimated at $ 639 billion in 2024 and is expected to expand at a CAGR of 6.15% from 2024 to 2033, reaching around $ 1,093 billion by 2033. The United States is the world leader in spending on prescription drugs per capita, accounting for approximately 30-40% of the global market and approximately 45% of the world's pharmaceutical sales and producing 22% of all medications. Federal policies like the Affordable Care Act and the BIOSECURE Act will have transformative impact on the industry. In the U.S. market for pharmaceuticals, the transformative clinical outcomes of GLP-1 receptor agonists and GLP-1/GIP dual agonists, have set a new benchmark for obesity treatment. These medications, such as semaglutide and tirzepatide, have demonstrated weight loss of up to 25%, significantly outperforming earlier drug classes, which achieved only about 7% weight reduction. The approval of cutting-edge drugs such as CAR-T cell therapies for certain cancers exemplifies the market's growing focus on precision medicine, offering hope for previously untreatable conditions. A notable advancement is the continued progression in immuno-oncology treatments, which are redefining cancer care. The growing market adoption of innovative and modern medicines is another key driver of the U.S. pharmaceutical market. The uptake of biologics, gene therapies, and immunotherapies in oncology, autoimmune diseases, and other areas has been particularly notable.



Source: S&P Global

Outlook

The future of the U.S. pharmaceutical industry in the next five years is defined by continued innovation and major regulatory reforms. Expansion will be driven by innovation in such areas as oncology, obesity and new-generation biotherapeutics, whereas diabetes and immunology spending will decelerate with more competition from biosimilars and pricing pressures. While new product launches will continue to add to market growth, the rate of overall growth is slowing as large patent expirations and the launch of biosimilars chip away at exclusivity benefits.

The Inflation Reduction Act and other policy initiatives are likely to rein in price growth and squeeze profit margins modestly, but not radically, as legislators are still sensitive to the need to reward research and development. The incorporation of new manufacturing technologies, including continuous manufacturing, is improving efficiency and enabling more rapid drug introductions. In the face of reputational issues and bipartisan support for additional drug pricing reforms, the industry is using scientific advancements and regulatory pragmatism to keep pace competitively and bring new therapies to market. Overall, the U.S. pharma sector is positioned for steady, innovation-fuelled growth tempered with continued cost containment and policy oversight.

Key trends in Pharma

Advancements in Biologics, Biosimilars and Personalized MedicineThe increased chronic disease prevalence has created the need for personalized medicines, biosimilars, and biologics, leading to improved patient outcomes. The ongoing innovations in biologics, target drugs, and gene therapies are driving market growth.

Economic and Pricing Pressures

Payers and governments are using various treatment alternatives to make deeper discounts, while precision therapies address smaller patient populations. International trade tensions and policy disruptions led by the US have also influenced investor sentiment. This change diminishes conventional pricing power and challenges pharma companies to reframe their cost structure and value propositions.

Digital Transformation in R&D and Patient Engagement

Artificial intelligence will find approximately 30 percent of new medicines in 2025, reducing preclinical times and costs by as much as half. Analytics powered by AI reduce candidate selection to a smooth-running process, optimise clinical trials and facilitate personalised treatment regimens. At the same time, digital solutions-digital health, mobile applications and wearables are engaging patients in symptom monitoring, improving adherence and sharing data in real-time.

[5] https://www.biospace.com/u-s-pharmaceutical-market-size-to-reach-usd-1-093-79-billion-by-2033

Strategic Investment and Collaboration

Venture capital and M&A activity continue strong, supporting pipelines and speeding market entry. Healthy funding levels and regular acquisitions allow companies to access new technology and diversify risk, while collaborations throughout the healthcare ecosystem drive patient-focused solutions and expand market reach.

Risk Resilience

The capacity to stay adaptive, predict disruptions and rebound from them has become the differentiator in a volatile global environment. Adaptive manufacturing, lean outsourcing and sophisticated risk-management practices enable businesses to react to supply-chain problems, regulatory changes and price reforms without losing steam.

Emerging markets in Pharma

Emerging markets present a huge potential market for vaccines and other children's medicines owing to their huge birth cohorts. India alone has about 25 million births annually as compared to about 7 million are born in Europe and North America.

Accelerating urbanisation and westernisation of lifestyles are changing disease patterns in most emerging economies. Infection rates are changing, and chronic diseases like diabetes and cardiovascular disease are on the rise. Collectively, these trends present pharmaceutical companies with great opportunities to introduce preventive as well as therapeutic products.

Emerging markets account for about 85% of the world's population and are expected to experience more rapid expansion in use of medicine, especially in Latin America and Asia, during the next five years. Meanwhile, regulatory agencies in these markets are tightening controls and constantly revising requirements. To succeed, pharmaceutical companies need to develop integrated strategies for regulatory approval, post-launch management and product lifecycle management.

Key Therapeutic Segments

Oncology[6]

Cancer remains the leading cause of deaths globally. Rising trends in chronic conditions have driven need for early treatment and diagnosis of cancer worldwide. In 2022, 20 million new cases and 9.7 million deaths resulted from cancer.[7] Government and non-profit efforts to increase awareness of cancer prevention is driving market growth. The worldwide oncology market was worth USD 225 billion in 2024 and is expected to grow to USD 668 billion by 2034, with a CAGR of 11.5% during this time.

New cases of cancer are estimated to increase by 47% globally between 2020 and 2040. To mitigate the growing risk, Global Action Plan for the Prevention and Control of Non-Communicable Diseases by the World Health Organisation seeks to decrease premature cancer deaths, cardiovascular disease, chronic respiratory disease and diabetes by 25% by 2025.

The incidence of cancer in India is projected to grow more quickly than the world average, reaching an estimated 1.57 million in 2025. The high prevalence is attributed to a mix of environmental and socioeconomic factors, including high levels of pollution, along with lifestyle and nutrition habits. The market size for oncology is forecasted to increase by USD 2 billion at a CAGR of 19.8% between 2024 and 2029.[8]

Advanced cancer treatment technologies such as CAR-T cell therapy which reprograms the patient's own immune cells to search and kill cancerous cells are gaining momentum with significant progress being made in order to provide patients with treatment accessibility. CAR-T cell therapy has been proven to show considerable success in treating blood cancers.

Cardiology[9]

The international cardiovascular drugs market was worth \$ 150 billion in 2024 and is projected to increase from \$ 156 billion in 2025 to approximately \$ 215 billion by 2034, growing at a CAGR of 3.62%. The growing number of patients with cardiovascular disease is primarily a result of inappropriate lifestyle habits, a sedentary lifestyle, stress, and work pressure among younger people. Also providing growth to markets, older patients have multiple cardiovascular conditions. Subtle changes in the rhythm and rate of heart activity can be the cause for more use of cardiovascular medications. Since both age groups have greater numbers of cardiovascular diseases, including cardiac arrest, there is sustained demand for the medications.

In 2014-2024, India's cardiology medications business grew from the size of nearly \$ 1.17 billion crore to almost \$ 3.5 billion.[10] The cardiac segment over the past half-a-decade increased at a pace higher than that of the industry as a whole. The greatest contributor to its growth has been the arrival of innovator molecules, together with consistent power provided by brand veterans.

[6]https://www.precedenceresearch.com/oncology-market

[7]https://www.who.int/news/item/01-02-2024-global-cancer-burden-growing--amidst-mounting-need-for-services

[8]https://www.technavio.com/report/oncology-market-industry-in-india-analysis

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

[10]https://www.financialexpress.com/business/healthcare-market-for-cardiac-diabetes-drugs-tripled-in-five-years-report-3643885/

Diabetology

In the last three decades, the number of people suffering from type 2 diabetes has grown exponentially in countries at all levels of income. For people with diabetes, access to low-cost treatment-including insulin-is necessary for survival. An estimated 830 million people have the condition, most of whom live in low- and middle-income countries. Over half of them do not get any kind of treatment. Both the number of individuals with diabetes and the number of undiagnosed cases have been increasing consistently throughout the decades. In 2021, diabetes and diabetic kidney disease accounted for more than 2 million deaths.[11]

The global diabetology market was valued $ 70 billion in 2024 and is expected to reach $132 billion by 2034, witnessing a 6.5% CAGR during the forecast period.[12] Rising obesity rates, increasingly sedentary lifestyles and increased consumption of unhealthy diets are anticipated to increase diabetes incidence, further driving industry growth.

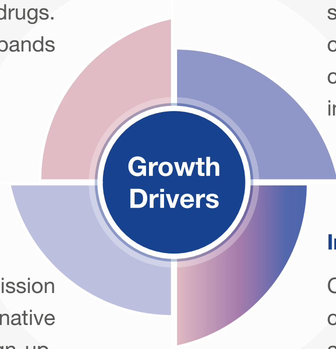
India's diabetes market was worth USD 4.8 billion in 2024 and is expected to reach USD 15.4 billion by 2033, equivalent to a compound annual growth rate of 13.1%.[13] At present the increasing incidences of diabetes combined with obesity is due to the practice of unhealthy diet, sedentary lifestyle habits has propelled the growth of the market. Growing obesity in working-age adults, combined with increased rates of alcohol intake and tobacco use, are also driving demand for diabetes care solutions higher.

Indian Pharmaceutical Market

India's pharma sector has become globally renowned as the "Pharmacy of the World," especially for its critical contribution to providing vaccines, lifesaving medicines, and medical equipment during the COVID-19 pandemic and in the future.

The industry is estimated at $ ~58 billion in 2024, is anticipated to expand 2 to 2.2 times by 2030, becoming worth $120-130 billion and $450 billion by 2047, raising India's share from 3% now to almost 5% by 2030.[14][15] The sector is the world's third largest by volume and fourteenth largest by value, with exports spanning 200 countries and territories, reflecting its strong global presence.[16]

India has the largest number of US FDA-approved pharmaceutical plants outside the US, with more than 3,000 pharmaceutical firms running over more than 10,500 manufacturing units. The industry involves varied product categories ranging from generic medicines, bulk drugs, vaccines, non-prescription drugs, formulations, biosimilars and biologics. India supplies 57% of the APIs on the WHO prequalified list, with its market size valued at $18 billion in 2024.[17]



Domestic Market Growth

An improved national economy and increasing per capita income are propelling higher demand for drugs. As family incomes rise, the domestic market expands in terms of volume and value.

Expanded Health Coverage

Continued efforts to expand insurance programs-such as Ayushman Bharat and private health cover-are more people into formal health care coverage. The expansion of coverage translates into wider access to medications and therapies.

Service Accessibility

The launch of the Ayushman Bharat Digital Mission platform, along with the growth of digitally native healthcare services, is automating patient sign-up, prescription filling, and teleconsultations. These improvements are enhancing service reception, particularly among those who are underserved.

Innovation and Export Orientation

Concentrating on high-value products-highly complex generics, biosimilars, new chemical and biological entities, and high-end therapies such as antibody-drug conjugates and gene or RNA medicines-is also making India more export competitive. Pharmas moving up the value chain are opening up new global opportunities.

[11] https://www.who.int/news-room/fact-sheets/detail/diabetes

[12] https://www.precedenceresearch.com/diabetes-drug-market

[13] https://www.imarcgroup.com/india-diabetes

[14] https://www.bain.com/insights/healing-the-world-a-roadmap-for-making-india-a-global-pharma-exports-hub/

[15] https://invest.up.gov.in/wp-content/uploads/go/pressnews31012025-3.pdf

[16] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2085345

[17] https://www.bain.com/insights/healing-the-world-a-roadmap-for-making-india-a-global-pharma-exports-hub/

Outlook

The future of the Indian pharmaceutical sector is optimistic, supported by a mix of domestic demand, international market prospects and strategic changes towards innovation and value-added products.

Many trends are going to drive this path. The transition from volume-led to value-driven growth is imperative, involving specialty generics, biosimilars, new drugs, and cutting-edge therapies like gene and cell therapies.

Digitalisation and the use of artificial intelligence (AI) and machine learning (ML) are anticipated to revolutionise drug discovery, clinical development, manufacturing, and supply chain management. Regulatory simplification, quality improvement, and sustainable manufacturing are also recognised as key enablers for future growth. Meanwhile, the nation is afflicted by an increasing burden of metabolic dysfunction-associated steatosis liver disease (MASLD) due to obesity, diabetes, physical inactivity and insulin resistance among non-drinkers as well which will further accelerate demand for medication.

India's API export business is projected to rise to $22 billion by 2030 at a CAGR of 8.3%, driven by changes in global supply chains and policy initiatives.[18] The biotech industry, with more than 800 core firms and a thriving startup ecosystem, is ready for faster growth, further consolidating India's biopharma capabilities.[19] Strong private equity and venture capital investments are driving innovation and capacity augmentation.

Crop health sciences

About 2.5 billion individuals in the developing world depend on agriculture for their livelihoods. Small farms in countries like India, China, and sub-Saharan Africa contribute about 35% of global production of staple grains-corn, soybean, wheat, and rice. Though their contribution is large, these farmers hardly have access to modern technology, formal training in agronomy, and timely knowledge on climate change, pests, and diseases of plants. Such a knowledge deficit limits them to expand their output and adjust to changing agricultural challenges.

The real Gross Value Added of the Indian agricultural sector has increased by almost double, and agricultural budgetary expenditures have increased more than ten times to ₹1,22,528 crore during FY2024-25. The Indian government has taken several steps to improve crop health and promote the agriculture sector. The key reforms involve regular MSP hikes, currently a minimum of 50% higher than production levels, and income support under PM-KISAN, covering over 11 crore farmers. The Agricultural Infrastructure Fund has facilitated investments of ₹86,798 crore for post-harvest and community infrastructure. Digital programs such as e-NAM have connected markets, covering 1.79 crore farmers and facilitating transparent trade. Efforts of recent years also include research and seed improvement, dairy and livestock sector development, and missions for self-sufficiency in horticulture and pulses.[20]

Crop protection usage in India stands at 0.37 kg/hectare. ₹ 2 lakh crores worth of crop yield is lost annually due to pests. State governments play a key role in enabling ease of doing business and ease of doing agriculture. India now stands as the 2nd largest exporter of agrochemicals globally, after China, making it a key participant in the global crop protection industry.

Introduction and use of safe, man-made crop-protection products have eased some of the limitations in agriculture. Through the reduction of crop loss to pests and diseases, estimated at some 45% of gross production in the past, these inputs allow farmers to capture a larger proportion of their possible harvest.

Outlook

With increasing global demand for food, smallholder farmers will have to almost double their crop production by 2050 to sustain rural prosperity and ensure food security. Greater availability of such solutions, combined with directed training and information services, can also enable smallholders to increase productivity and contribute more to world food supplies.

The India agrochemicals market size from USD 5.4 billion in 2023 is forecast to increase by USD 17 billion at a CAGR of 11.8% between 2024 and 2029.[21] Climate change and crop monitoring have emerged as major threats to growth, leading to the use of new technologies such as artificial intelligence (AI), drone monitoring, and data analysis to maximise resource efficiency and forecast yield variations. Farm mechanisation and digital solutions are revolutionising practice, increasing efficiency in seeding, irrigation, and pest control. The agrochemical industry is changing via research-based innovations in formulation and seed treatment, while brand loyalty and retail networks drive distribution strategies. Sustainability initiatives focus on integrated pest management (IPM), organic farming practices, and water preservation measures to minimise environmental footprint. At the same time, yield forecasting and quality assurance systems ensure productivity is balanced with ecological resilience as agrochemicals become essential but responsive to market forces and climatic realities.

[18] https://www.praxisga.com/media/pharma-and-life-sciences/indian-api-market-to-expand-to-22-bn-by-2030-at-a-cagr-of-8-3-pc-report

[19] https://www.bain.com/insights/healing-the-world-a-roadmap-for-making-india-a-global-pharma-exports-hub

[20] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2098424

[21] https://www.technavio.com/report/agrochemicals-market-industry-analysis

Government's far-reaching reforms are directed to increase farmers' incomes, improve agriculture's modernisation and make the sector sustainable so that it is a major source of India's economic and rural development.

Company Overview

NATCO Pharma Limited is a one of the leading globally vertically integrated pharmaceutical company with over four decades of presence with strategic focus in research and development to manufacture niche and complex molecules. Extending its complex chemistry capabilities, it diversified into Crop Health Sciences to manufacture and supply quality crop solutions to farmers in India. The Company creates, produces and sells finished dosage formulations (FDF),active pharmaceutical ingredients (API) and agrochemicals (technical and formulation) API products are strategically used for captive consumption. In the API segment, it has capabilities to develop and manufacture products with multi step synthesis, semi synthetic fusion technologies, high- potency APIs and peptides.

NATCO has seven pharmaceuticals and two agrochemicals state-of-the-art manufacturing facilities today in India. Its five formulation plants are in Dehradun, Kothur, Nagarjuna Sagar, Vishakapatnam and Guwahati. Two API and intermediate units are present in Mekaguda and Manali. Crop health formulation and technical plants are based in Attivaram. All of the Company's facilities adhere to global regulatory standards, such as USFDA, ANVISA, Health Canada WHO and Central Insectides Board Faridabad, India among others.

It provides finished dosages in capsule, injection, and tablet forms, targeting various medical conditions such as multiple sclerosis, influenza infection, leukemia, and hypertension etc. It markets its products in over 50 countries. The key markets are United States, India, Canada, Brazil and it operates in some of markets such as Saudi Arabia, Algeria, Indonesia, Thailand, Australia, Singapore and China etc. The Company has 11 subsidiaries including two step-down subsidiaries. It also operates through partners in regions wherever there no direct presence.

Continuous innovation guides the Company's efforts to add new technologies and capabilities. Its In-house research is directed by the NATCO Research Centre at Sanathnagar and Kothur. The Company spent INR 3,733 million towards R&D in FY25 and endeavours to spend about 6%-8% towards its R&D projects in the future. Being perseverant and determined for a positive outcome it has established a strong footing for itself over the last many decades.

NATCO's strategy emphasises developing low-competition molecules and complex therapies. It remains committed to its core strategy to target niche molecules. Growth is driven through both organic research and strategic partnerships. It is on a path of global expansion where it is adding more products in its portfolio in various emerging markets. The company remains committed to cGMP norms and high-quality standards. NATCO is well placed to capitalise on anticipated growth across its major complex therapy areas. It is also selectively evaluating inorganic opportunities to expand its presence in international markets.

Business Segments

The company operates in two major business segments, pharmaceuticals and agrochemicals. The pharmaceutical business is the revenue driver for the company, where the exports formulation is a significant contributor followed by domestic formulation, APIs and agrochemicals.

The Company has a growing global reach with its products shipped to more than fifty countries across the globe. Its FDF offerings are marketed in the United States, India and the rest-of-world markets. US market is the major contributor in terms of revenue for the company, followed by India, Canada and Brazil.

The API division is strategic in nature and caters to captive consumption as well as is sold to global pharmaceutical companies in the USA, Europe, and Brazil.

Their proficiency in organic chemistry and ability to target niche molecules acted as a catalyst to diversify into the Crop Health Science business. The product portfolio has a range of quality pesticides/insecticides and bio stimulants & growth promoters for safe and efficient management of pests, insects, diseases and weeds across a range of crops. The company is focused on providing greener and cleaner solutions to farmers to yield better crop outputs.

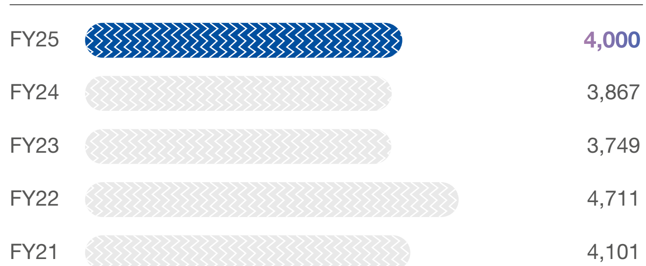
Pharmaceuticals

Domestic Formulations

NATCO's formulations domestic operations are key drivers of the business, segmented into four business units comprising of Oncology, Pharma speciality, Cardiology and Diabetology. NATCO is the pioneer and the market leader in the branded oncology targeted therapy segment and since inception has led the charge to improve accessibility of treatment solutions to the patients in India.

Domestic formulation sales

(₹ Million)



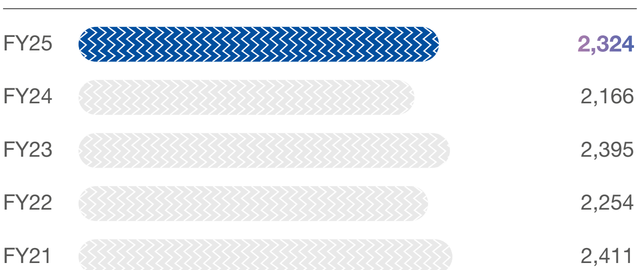
Oncology

With over two decades of presence NATCO maintains a leadership market share in the oncology division among Indian companies. Its oncology franchise includes haemato-oncology and solid tumour treatments. It has introduced several targeted therapy medicines in oncology. Its pipeline consists of molecules that are of pivotal therapeutic significance in the treatment of malignancies of blood, liver, kidney, lung, brain, breast, ovary.. The in-house NCE oral molecule targeting metastatic/recurrent head and neck cancer is undergoing phase II clinical trials in India and the US.

All oncology products are produced in state-of-the-art facilities that have been certified by major international regulatory bodies. This dedication to quality and reliability has gained the confidence of oncologists, world-renowned medical centres, patient associations, non-governmental organisations and the wider healthcare community.

Domestic formulation sales

(₹ Million)



Pharma specialty

NATCO's Pharma Specialties segment concentrates on orthopaedics, gastroenterology, Virology, Rheumatology, Hepatology and Critical Care.

Its orthopaedics portfolio encompasses the leading bisphosphonate therapies, either oral or injectable. All of them were the first-to-market in their respective categories and have established high brand recall with healthcare providers over time.

In the field of gastro-hepatology, NATCO is a dominant player in Hepatitis-B and Hepatitis-C treatments in India. Velpanat brand, Sofosbuvir and combination is a high performing brand in the segment.

Cardiology

NATCO founded its Cardiology in early 2017 with the aim to achieve its vision of making specialty drugs universally available.

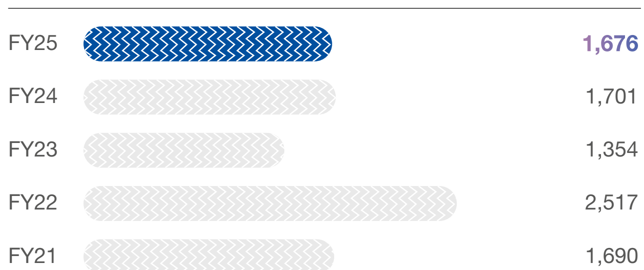
The existing cardiovascular portfolio consists of a complete gamut of antihypertensive drugs, headed by Cilnidipine and its combinations (NATCOCIL and associated brands) approved as first-line hypertensive agents. It also boasts Ivabradine (IVABRATCO) as a treatment for stable angina and chronic heart failure. The division's anticoagulant portfolio consists of new oral anticoagulants-DABIGAT® (Dabigatran), APIGAT® (Apixaban) and Rpigat® (Rivaroxaban)-in addition to the antiplatelet agent TICAGAT® (Ticagrelor).

Diabetology (NAT-REACH)

Within the diabetology division, NATCO offers extensively prescribed DPP-4 inhibitors Vildagliptin and its fixed-dose combination with Metformin, Teneligliptin and its Metformin combination, for the treatment of type 2 diabetes mellitus in high-prevalence markets. The company is aggressively developing a pipeline of next-generation products aimed at differentiating its products with a focus on key brands to strengthen therapeutic positioning.

Non-oncology sales

(₹ Million)



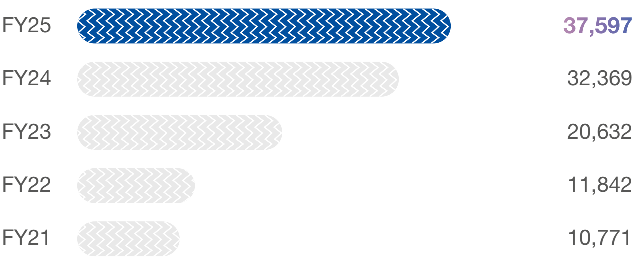
Export Formulations

NATCO has over three decades of experience in targeting niche and complex molecules. Over the years, it has extended the depth and the breadth of the portfolio to cater to the export markets. This is on the back of a global filing strategy adopted by the company, which has started to deliver success for the company. In the US, it predominantly a partnership driven business model that capitalises on its own strength of research & development and the partner excels in litigation and distribution of the product. The company has also incorporated its own subsidiaries in US, Brazil, Canada, Indonesia, Singapore, Philippines, the UK and Colombia, to set up frontend presence in these markets. It has a formidable presence in Canada and Brazil amongst the products that are being marketed. Additionally, it gets market access through business partnerships in some of the other Asia Pacific, Middle East and other regions.

The company expects to file a greater number of products in the export markets to drive growth. It also has healthy cash reserves, as a planned strategy to build on the strong foundation that it has created over the years, it plans to utilise the cash for making acquisitions to augment its core business.

Export formulation salest

(₹ Million)



US Market

The company has a unique strategy to focus on niche generic molecules with limited competition which are going off-patent in the US market. NATCO has a partnership-based model in the US wherein it leverages its own strength in product development and manufacturing alongside partners' strength in sales and distribution. Sun Pharma, , Alvogen, Teva, Mylan, Actavis, Lupin, Breckenridge Pharmaceuticals and Dr. Reddy's are some of the major partners in the U.S.

In FY25, revenue from the US business amounted to INR 31,487 million, compared to INR 28,048 million in FY24. The Company has 50+ approved Abbreviated New Drug Applications (ANDA) and 28 Para IVs in the pipeline with 5 tentative approvals. During the year, the Company submitted 5 ANDAs and got approval for 3 ANDAs with the United States Food and Drug Administration (USFDA).

Key solo FTFs (Para IV) in the pipeline (as at 31st March 2025)

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

Key Para IV products in the pipeline

Brand	Molecule	Therapeutic Segment / Primary Indication
Eliquis	Apixaban	Anticoagulant
Ozempic	Semaglutide pen (2 strengths)	Diabetes
Pomalyst	Pomalidomide	Cancer / Multiple Myeloma
Lonsurf	Trifluridine / Tipracil	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 / Prostate
Evrysdi	Risdiplam Oral Solution	Spinal Muscular Atrophy
Zepzelca	Lurbinectedin	Central Nervous System

Canada Market

NATCO Pharma Canada Inc. is the wholly owned subsidiary that was founded in 2012. Having its headquarters in Toronto, it is backed by a focused local quality assurance, regulatory affairs, and sales team. With six to eight regulatory filings annually as its goal, the Company has been delivering on-and frequently exceeding-these targets.

In FY25, the revenue was INR 2,213 Million, with more than 20 products approved to market and 10+ filings in the pipeline for approval, it is poised for robust growth in the years to come.

Brazil Market

Natcofarma Brasil, the Brazilian subsidiary of NATCO Pharma Limited, supplies quality drugs that meet international standards to increase patient access. It specialises in launching generic medications in Brazil for oncology, hematology, cardiology, neurology and primary care. This arrangement is a testament to its continuous drive towards innovation and research in the introduction and development of generic drugs.

In FY25, the revenue was ₹ 1,160 million it continues to file good number of products where there is limited competition.

Asia and other emerging markets

NATCO Pharma has received approvals from the Health Sciences Authority (HSA) for niche oncology formulations for breast cancer, blood cancer, and supportive care in cancer therapy. IT has achieved regulatory clearances and introduced branded generics in the tender and private markets in Singapore. The Company has its presence in China with the success of Oseltamivir capsules and has marked its entry into Saudi Arabia and Algeria regions by winning a government tender. It has established a subsidiary in Colombia. It also has significant presence in the markets of Thailand, Vietnam, Philippines, Indonesia and Australia.

In the rest-of-world (RoW) markets, NATCO's portfolio concentrates on hepatitis C and anti-cancer formulations. The firm has been able to commercialise these products successfully in prominent countries like Vietnam, Mongolia, Myanmar, and Venezuela.

NATCO utilises several channels to increase its reach including wholly owned subsidiaries, direct partnerships with local partners in certain geographies and worldwide distributors to cover smaller markets.

APIs

Building on its technical and operating excellence NATCO has developed and commercialised niche APIs for over two decades. An unwavering commitment to quality and following current Good Manufacturing Practices (cGMP) is at the foundation of its mission to deliver innovative, cost-efficient drug substances and increase patient access globally.

Originally concentrated in oncology, NATCO’s portfolio of APIs has grown to cover over fifty Drug Master Files (DMF) and now extends to central nervous system treatments, pain management drugs, and cardiovascular care molecules. The firm applies its intellectual property capabilities, manufacturing expertise, and regulatory knowledge to develop first-to-market opportunities for its clients.

NATCO has two state-of-the-art API manufacturing facilities where over half of the campus space is preserved as Green Belt, embracing its fundamental value of environmental health and safety. Both plants have received successful regulatory clearance and audits from regulatory bodies such as the U.S. Food and Drug Administration, Australia's Therapeutic Goods Administration, the Hamburg Health Authority, Japan's PMDA, South Korea's KFDA, Mexico's Cofepris, and the European Directorate for the Quality of Medicines (EDQM).

Segment Breakdown

Revenue Division	FY21	FY22	FY23	FY24	FY25
API Revenues	5,120	2,481	2,103	2,492	2,018
Domestic Formulations	4,101	4,771	3,749	3,867	4,000
International (including subsidiaries)	10,771	11,842	20,632	32,369	37,597
Crop Health Sciences	21	51	409	1,083	598
Other Operating and Non-Operating Incomes	1,544	1,293	1,224	1,458	3,627
Total Revenues	**21,557**	**20,438**	**28,117**	**41,269**	**47,840**

Crop Health Sciences division (CHS)

The strong organic chemistry skills acted as a catalyst to the idea of diversifying into the agrochemical business. Leveraging its techno-legal capability NATCO CHS has achieved significant breakthrough since its inception in 2021. It focuses to provide innovative and green chemistry-based pests and biological crop solutions to farmers which result in higher crop yields. It also pioneered the launch of the first pheromone-based mating disrupting product aimed at effectively managing the pink bollworm pest infestation in cotton crops. Moving forward, it will focus on expanding its portfolio to broader to range of pesticides, insecticides and bio stimulants which will cater to a variety of crops and markets.

Financial Overview

NATCO’s consolidated revenue from operations for the year stood at ₹ 47,840 million for FY25 as compared to ₹ 41,269 million for FY24. EBITDA for FY25 stood at ₹ 25,505 million at 53.3% of revenue. PAT amounts to ₹ 18,834 million for FY25 at 39.4% of revenue against ₹ 13,883 for FY24.

Metric	FY 2025	FY 2024
Total Revenue* (INR million)	47,840	41,269
EBITDA* (INR million)	25,505	18,795
EBITDA Margin* (%)	53.3%	45.5%
Profit before tax (PBT) (INR million)	22,914	16,735
Profit after tax (PAT) (INR million)	18,834	13,883
PAT Margin (%)	39.4%	33.6%
Reported EPS (Basic & Diluted) (INR)	105.26	77.34
Networth (Includes NCI) (INR million)	76,123	58,531
Return on Equity (%)	24.7%	23.7%
Return on Capital Employed (%)	30.1%	28.5%

ROCE = Earnings Before Interest and Tax (EBIT) / Capital Employed (Total Assets – Current Liabilities); ROE= Net Income/Shareholder's

Equity (networth)

*includes other income

SWOT Analysis

Strengths

Market Leadership

- Robust market standing in oncology with nine products with sales in excess of ₹100 million and twenty-five brands holding leading positions across therapeutic classes.

Financial Performance

- Robust financial performance demonstrating revenue CAGR of 15 %, EBITDA CAGR of 25%, and PAT CAGR of 28% over the past decade.
- Impressive growth trajectory with consolidated revenue of ₹ 47,840 million in FY25, marking a 16% increase from the previous year.

Product Portfolio and Capabilities

- Strategic concentration on niche and complex molecules with low competition, building sustainable competitive advantages in differentiated markets.
- Vertically integrated business model enabling manufacturing excellence across state-of-the-art plants adhering to strict regulatory compliances.
- Penetrative outreach to 60,000 doctors and 1,000+ distributors serviced by a team of 850+ sales professionals maintaining strong market coverage.

Global Market Presence

- Ranked among the top 10 generic companies in sales in Canada with a strong international presence.
- Strategic plans for expansion based on consolidating positions in Southeast Asia, MENA, and LATAM regions to broaden revenue base.
- US Biosecure Act provides opportunity to expand revenue from the nation.

Weaknesses

Market Concentration and External Factors

- Reliance on major markets exposing vulnerabilities to regional regulatory shifts and market forces.
- Pressure on prices due to government measures to contain drug costs potentially affecting profitability margins.

Competitive Landscape Challenges

- 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

Government Initiatives driving industry growth

- India's pharma market expected to grow to US$450 billion by 2047, with vast growth opportunities in the domestic market.
- Production Linked Incentive (PLI) scheme favouring financial investment in pharma production and innovation.
- Vision of Viksit Bharat 2047 offering a holistic framework for pharma sector growth and international competitiveness.
- Government setting up Bulk Drug Parks with ₹3,000 crores financial aid enhancing pharma production infrastructure.

Technological Innovation

- Digitalisation and AI/ML implementation providing ways to improve the efficiency of drug discovery and clinical development operations.
- Opportunities for growth in emerging markets presenting ways to diversify revenues outside of traditional stronghold areas.

Healthcare Trends

- Growing healthcare expenditures worldwide and locally driving demand for pharmaceutical products in all therapeutic categories.
- Emerging emphasis on sophisticated treatments driving market opportunity consistent with NATCO's capability in intricate generics.

Threats

Operational and Market Risks

- Geopolitical unrest and supply chain disruptions that could impact worldwide operations and production capabilities.
- Regulatory complexities across markets with ongoing need for flexibility to adjust to changing compliance needs.
- Exchange rate fluctuations affecting bottom line for export-based operations.

Competitive Pressures

- High level of competition requiring frequent innovation and flexibility to keep up with shifting market trends.
- Government policy-driven pricing pressures on profitability in pharmaceutical markets.

Outlook

Over the last twelve months, the Company has launched over five products across oncology, hepatology, gastroenterology, critical care, cardiology and diabetes. Moving forward, it expects to introduce additional offerings during the next two to three years. The Company anticipates that the domestic launch of Semaglutide will significantly drive its non-oncology revenues during the coming fiscal periods.

Its strong manufacturing base, backed by backward integration into active pharmaceutical ingredients manufacture, continues to drive the growth trajectory and operational efficacy of the company.

To further boost its global reach, the company is considering inorganic expansion opportunities outside India-in particular, in the US and other strategic markets-through selective acquisitions and alliances.

The company has also introduced sustainability practices to minimise its ecological footprint. Renewable energy now provides 25.8% of its total power usage, reducing emissions of carbon. Water conservation involves increased utilisation of recycled water, and all manufacturing waste is handled and disposed of in accordance with strict environment standards.

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 42nd Annual Report of the Company along with the Audited Financial Statements and other reports for the year ended 31st March, 2025.

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 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024
Net Revenue /Income	44,158	36,736	47,840	41,269
Gross profit before interest, depreciation, amortisation and impairment	24,656	17,417	25,505	18,795
Finance Cost	196	145	239	192
Profit before depreciation amortisation and impairment - (Cash Profit)	24,460	17,272	25,266	18,603
Depreciation amortisation and impairment	2,200	1,719	2,352	1,868
PBT before exceptional items	22,260	15,553	22,914	16,735
Exceptional items	-	-	-	-
Profit before Tax (PBT)	22,260	15,553	22,914	16,735
Provision for Tax –Current	4,075	2,848	4,376	3,165
Provision for Tax –Deferred	(319)	(361)	(296)	(313)
Profit after Tax	18,504	13,066	18,834	13,883
Other comprehensive income (OCI)	(13)	76	(240)	149
Total Comprehensive income for the year	18,491	13,142	18,594	14,032

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 2024-25, 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, 2024	30th August, 2024	3.00
2.	12th November, 2024	4th December, 2024	1.50
3.	12th February, 2025	28th February, 2025	1.50
	Total		**6.00**

The total dividend pay-out amounted to ₹ 1075 million resulting in a pay-out of 5.81 % 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 2024-25. The Dividend Distribution Policy is available on the website of the Company at 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, 2025.

SHARE CAPITAL

The issued and subscribed share capital of the Company as on 31st March, 2025, 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, 2024.

During the year under review, there is no change in the Share Capital of the Company.

DEPOSITS

During Financial Year 2024-25, 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

The Company has eleven (11) international subsidiaries including (2) step-down subsidiaries as on 31st March, 2025. 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.

The Company has not acquired any other Subsidiary Company nor any of the existing Subsidiary Company(s) are ceased to become Subsidiary of the Company during the Financial Year 2024-25.

However, the Board of Directors of the Company at their meeting held on 23rd July, 2025 approved the following:

1. Incorporation of a wholly owned subsidiary under the name NATCO Pharma South Africa Proprietary Limited in South Africa.

2. Liquidation of wholly owned subsidiary Time Cap Overseas Limited, Mauritius and directly hold the investment in NatcoFarma Do Brasil Ltda.

Further, a Statement containing the salient features of the Financial Statements of the Subsidiaries 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 March 31, 2025.

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 D. 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

In accordance with the provisions of the Companies Act, 2013, Sri Rajeev Nannapaneni (DIN: 00183872) Director is liable to retire by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting of the Company.

During the year under review, there is change in the composition of the Board of Directors of the Company, given below are the changes taken place:

1. Board of Directors of the Company at their meeting held on February 14, 2024, based on the recommendations of Nomination and Remuneration Committee have recommended the appointment of Sri A.D.M. Chavali (DIN: 00374673) and Sri D. Vijaya Bhaskar (DIN:07158951) as Independent Directors of the Company for a period of 5 (five) years i.e., from April 1, 2024 till March 31, 2029 and the same was approved by the members of the Company through Postal Ballot on March 26, 2024.

2. Board of Directors of the Company at their meeting held on August 12, 2024, based on the recommendations of Nomination and Remuneration Committee approved the appointment of Sri Lakshminarayana B. (DIN: 02766709), Dr. Kantipudi Suma (DIN: 02734369) and Sri Nitin Jain (DIN: 00136245) as Additional Directors (Non-Executive Independent Directors) of the Company for a period of 5 (five) years i.e., from August 12, 2024 till August 11, 2029 and the same was approved by the members of the Company at the Annual General Meeting held on September 30, 2024.

3. Further, Dr. M.U.R. Naidu, Independent Director of the Company vacated the office upon his demise on July 30, 2024.

4. Dr. T.V. Rao (DIN: 05273533) and Dr. Leela Digumarti (DIN: 06980440), Independent Directors of the Company completed their 2nd term of five years with effect from August 24, 2024 and September 21, 2024 respectively.

5. Dr. Pavan Ganapati Bhat, (DIN: 09691260), Director & Executive Vice President (Technical Operations) of the Company has resigned with effect from the close of the business hours on February 12, 2025.

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 2024-25 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

A separate meeting of the Independent Directors was held on 12th February, 2025, 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.

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.

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 2024-25. 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 year ended March 31, 2025, 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 September 30, 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, 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 2024-25.

The Secretarial Audit Report in Form No. MR-3 is attached as "**Annexure - III**" to this Board's Report.

Upon 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, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

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 is put forward to the shareholders for their ratification in the ensuing Annual General Meeting. The Cost Audit report for the Financial Year 2024-25 will be filed with the Central Government within the stipulated timeline and the relevant Cost Audit report for FY 2023-24 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 will report 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 2024-25, 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 of Directors from time to time.

The details about the CSR initiatives taken during the Financial Year 2024-25 are discussed in a separate head "Corporate Social Responsibility" which forms a part of this Annual Report.

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 TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the declared dividends which remained unpaid or unclaimed for a period of seven years, 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, 2025 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).

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 12, 2025

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:

Subsidiary Company Name	NATCO Pharma Inc.	NATCO Pharma USA LLC*	Time Cap Overseas Limited	Natco Farma 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.
The date of Incorpora tion/ 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
Share Capital	2,570.10	2,069.09	1,706.24	1,529.41	231.54	101.88	209.99	67.63	125.73	148.34	4.20
Reserves & Surplus	267.32	-1,186.85	-121.79	-387.12	3,883.71	108.33	-204.41	-3.77	-41.20	-41.09	-0.62
Total Assets	3,136.00	1,328.62	1,991.56	1,351.19	4,482.32	292.14	1.97	116.48	91.96	133.97	3.94
Total Liabilities	298.58	446.38	407.11	208.91	1,444.20	81.93	-3.60	52.61	7.43	26.73	0.36
Investments	-	-	-	-	1,077.13	-	-	-	-	-	-
Turnover	0.19	984.55	-	1,160.39	2,213.36	171.11	0.00	121.35	-	17.55	-
Profit before taxation	-1.06	-410.02	-0.60	255.73	878.59	37.44	2.06	6.49	3.28	-41.09	-0.62
Provision for taxation	0.06	-	-	-86.68	-228.91	-7.19	-	-4.95	-	-	-
Profit after taxation	-1.00	-410.02	-0.60	169.05	649.68	30.25	2.06	1.54	3.28	-41.09	-0.62
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
Reporting Currency	USD	USD	USD	BRL	CAD	SGD	AUD	PHP	GBP	IDR	COP
Closing exchange rate	85.45	85.45	85.45	14.97	59.45	63.59	53.29	1.49	110.40	0.01	0.02
Average exchange rate	84.54	84.54	84.54	15.09	60.78	63.18	55.13	1.46	107.87	0.01	0.02
% of Shareholding	100%	100%	100%	100%	100%	100%**	100%^^	100%**	100%	51	100%^^

Note: Turnover includes other revenue and Other Operating Revenue.

Profit/(Loss) figures excluding Other Comprehensive Income.

Total Assets includes investment in subsidiary companies

Investments other than investment in subsidiary companies

* Stepdown subsidiary company

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

^^ No operations

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 12, 2025

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 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. ₹ 3.30 million p.a.	14th February, 2024	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. ₹ 3.30 million p.a.	14th February, 2024	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 ₹ 3.30 million p.a.	14th February, 2024	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. ₹ 1.98 million p.a.	14th February, 2024	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. ₹ 1.98 million p.a.	14th February, 2024	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) Inc. ₹ 560.43 million p.a.	14th February, 2024	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 by the Board, if any	Amount paid as advances, if any
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. ₹ 128.31 million p.a.	14th February, 2024, 27th May, 2024	Nil
8.	NATCOfarma Do Brasil Ltd., 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. ₹ 453.29 million p.a.	14th February, 2024	Nil
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 ₹ 52.47 million p.a.	14th February, 2024 and 28th May, 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 ₹ 97.53 million p.a.	14th February, 2024	Nil
11.	PT NATCO Lotus Farma, Indonesia Subsidiary Company	Purchase/ Sales	6 months	To purchase/ sell the raw material/finished goods from/to PT NATCO Lotus Farma. ₹ 27.71 million p.a.	12th November, 2024	Nil
12.	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 ₹ 0.064 million p.a.	14th February, 2024	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 12, 2025

Annexure –III to the Boards' Report

Form MR-3

SECRETARIAL AUDIT REPORT

(For the financial year ended 31st March, 2025)

[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 conducts/ 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, 2024 to 31st March, 2025 ("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 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, 2025 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

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

(h) The Environment Protection Act, 1986

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

(j) The Public Liability Insurance Act, 1991

(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, 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, where ever 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 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.

For **BK & Associates**
Company Secretaries

CS Kiran Kumar Bodla
Proprietor
FCS No.: 11093
C P No.: 15876
PR No.: 6428/2025
UDIN:F011093G000982393

Place: Hyderabad
Date: 12.08.2025

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, 2025)

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
PR No.: 6428/2025
UDIN: F011093G000982393

Place: Hyderabad
Date: 12.08.2025

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	4	4
2.	Sri Rajeev Nannapaneni	Vice-Chairman & Chief Executive Officer	4	4
3.	Sri D. Vijaya Bhaskar	Independent Director	4	4
4.	Dr. Kantipudi Suma	Independent Director	4	2

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:** ₹ 7933.32 million

(b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135:** ₹ 158.70 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):** ₹ 158.70 million

6) (a) **Amount spent on CSR projects (both ongoing and other than ongoing project):** ₹ 144.60 million

(b) **Amount spent in Administrative Overheads:** ₹ 5.57 million

(c) **Amount spent on Impact Assessment, if applicable:** ₹ 1.22 million

(d) **Total amount spent for the Financial Year (6a+6b+6c):** ₹ 151.39 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
151.39	7.31	29th April, 2025		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	₹ 158.70
(ii)	Total amount spent for the Financial Year	₹ 151.39
(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:

Not Applicable

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.	FY-1	-	-	-	-	-	-	-
2.	FY-2	-	-	-	-	-	-	-
3.	FY-3	-	-	-	-	-	-	-

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 ₹ 7.31 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. The unspent amount has been transferred to CSR unspent account and is utilized within the prescribed timeline.

Further, the CSR unspent has been spent during the first quarter of the FY 2025-26.

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 12, 2025

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 2024-25 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 2024-25
Sri V. C. Nannapaneni	Chairman & Managing Director	99.86	160	-0.91
Sri Rajeev Nannapaneni	Vice Chairman & Chief Executive Officer	97.82	157	-0.86
Sri P.S.R.K Prasad	Director & Executive Vice President (Corporate Engg. Services)	20.74	33	2.90
Dr. D Linga Rao	Director & President (Tech. Affairs)	40.06	64	18.90
^Dr. Pavan Ganapati Bhat	Director & Executive Vice President (Technical Operations)	40.69	65	26.66
Sri S.V.V.N. Appa Rao	Chief Financial Officer	14.61	23	9.36
Sri Venkat Ramesh Chekuri	Company Secretary & Compliance Officer	2.64	4	1.30

^Dr. Pavan Ganapati Bhat, (DIN: 09691260), Director & Executive Vice President (Technical Operations) of the Company has resigned with effect from the close of the business hours on February 12, 2025.

Median remuneration of employees for the Financial Year 2024-25 is ₹ 6,23,220 /-.

Dr T.V. Rao, Dr. Leela Digumarti, Dr. M.U.R. Naidu, 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 15.94% in Financial Year 2024-25.

(iii) The number of permanent employees on the rolls of Company as on March 31, 2025 is 4955.

(iv) The average increase in remuneration paid to employees is 11.23% for Financial Year 2024-25 as compared to Financial Year 2023-24.

(v) It is hereby affirmed that the remuneration paid during the Financial Year 2024-25 is as per the Remuneration Policy of the Company

* The above remuneration includes perquisites as per Income Tax Act, but 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 12, 2025

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 of ₹ 28 million in various utility areas resulted in reduction of 2780 ton of CO_2 emissions

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

   (a) Steps in progress for increasing the utilization of alternate renewable sources of energy: Dry oil Cake instead of Coal & additional solar Plant to reduce Co_2 emission by 8000 Ton /Year

   (b) Installed high efficiency solar panel to achieve the saving of ₹ 1.7 Million/ annum

   (c) Switched to natural Gas (PNG) resulting in reduction of GHG emission By 240 Tons per year

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

   a) Propose to install 2MW energy storage system with 0.5 Mw Solar plant at Mekaguda.

   Expected saving per annum is approximately ₹ 11 million.

4. **Mekaguda Unit participated in CII GreenCO rating**

   Awards and bagged GOLD Rating. This rating was based on the performance covering ten elements: including energy efficiency, renewable energy and GHG emissions reduction. We are the first in Pharma Sector to achieve the GreenCO Gold Rating award from CII.

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, 2025	Year ended March 31, 2024
A: Power and Fuel Consumption		
1. Electricity		
a) Purchased Units	68401833	67000184
Total amount (₹ million)	601.54	582.34
Rate / Unit (₹)	8.79	8.69
b) Own Generation:		
i) Through Diesel		
Generator Units	893313	1149881
Units / ltr. Of Diesel Oil	3.33	3.42
Cost / Unit (₹)	26.19	27.63

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
ii) Through Windmill		
Generator Units	8352487	8818006
Total Cost Per Year (₹ million)	17.50	17.06
Cost / per Unit (₹)	2.09	1.93
iii) Through Solar		
Generator Units	8532645	7904987
Total Cost Per Year (₹ million)	18.81	15.02
Cost / per Unit (₹)	2.20	1.9
2. Coal D/C grade		
Quantity (Tonnes)	5512	4574
Total amount (₹ million)	69.54	60.52
Average rate per tonne (₹)	12618	13231
3. Furnace Oil		
Quantity (Ltr)	857748	3085833
Total amount (₹ million)	45.29	152.57
Average rate per Ltr (₹)	52.80	49.44

C) EXPENDITURE OF R&D:

Amount (₹ in Million)

Expenditure on R&D	Year ended March 31, 2025	Year ended March 31, 2024
R&D Expenditure	3,733	2,694
Total R&D Expenditure as percentage of standalone revenue	9.12	7.55

D) Foreign Exchange Earnings and Outgo

The Company realised foreign exchange amounting to ₹ 33,179 million and used foreign exchange amounting to ₹ 5,524 million during the year ended 31st March, 2025.

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 12, 2025

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 to all" 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 2024-25, four (4) Board Meetings were held on May 27, 2024, August 12, 2024, November 12, 2024, and February 12, 2025 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 2024-25		Attendance at the last AGM Held on September 30, 2024	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 [(a)]	00183315	Promotor, Executive Director	4	4	Yes	3	NIL	NIL	NIL	NIL
2.	Dr. T.V. Rao Independent Director [(h)]	05273533	Independent Non-Executive Director	4	2	-	10	(i) Alkali Metals Ltd.	Independent Director	0	2
								(ii) Cupid Limited		0	1

Sl. No.	Name of the Director and Designation	DIN	Category	Number of Board meetings during FY 2024-25		Attendance at the last AGM Held on September 30, 2024	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
3.	Sri Rajeev Nannapaneni, Vice Chairman & Chief Executive Officer [a]	00183872	Promotor, Executive Director	4	4	Yes	4	NIL	NIL	NIL	NIL
4.	Dr. Leela Digumarti, Independent Director[h]	06980440	Independent Non-Executive Director	4	1	-	NIL	NA	NA	NA	NA
5.	Sri P.S.R.K. Prasad, Director & Executive Vice President (Corp. Engg. Services)	07011140	Executive Director	4	4	Yes	NIL	NA	NA	NA	NA
6.	Dr. M.U.R. Naidu, Independent Director [f]	05111014	Independent Non-Executive Director	4	1	-	NIL	NA	NA	NA	NA
7.	Dr. D. Linga Rao, Director & President (Technical Services)	07088404	Executive Director	4	4	Yes	NIL	NA	NA	NA	NA
8.	Dr. Pavan Ganapati Bhat, Director & Executive Vice President (Technical Operations) [i]	09691260	Executive Director	4	4	Yes	1	NA	NA	NA	NA
9.	Sri A.D.M. Chavali Independent Director [e]	00374673	Independent Non-Executive Director	4	4	No	4	i) Kalyan Jewellers India Limited	Independent Director	1	1
								ii) Pokarna Limited		1	2
10.	Sri Vijaya Bhaskar D. Independent Director [e]	07158951	Independent Non-Executive Director	4	4	Yes	NIL	NA	NA	NA	NA
11.	Sri Lakshminarayana B, Independent Director [g]	02766709	Independent Non-Executive Director	4	2	Yes	5	i) B.N. Rathi Securities Limited	Independent Director	1	1
								ii) Kisaan Parivar Industries Limited		0	2
								iii) B2B Software Technologies Limited		0	1

Sl. No.	Name of the Director and Designation	DIN	Category	Number of Board meetings during FY 2024-25		Attendance at the last AGM Held on September 30, 2024	No. of Directorships 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
12.	Dr. Suma Kantipudi, Independent Director (g)	02734369	Independent Non-Executive Director	4	2	Yes	6	NIL	NA	NA	NA
13.	Nitin Jain, Independent Director (g)	00136245	Independent Non-Executive Director	4	2	Yes	1	NIL	NA	NA	NA

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 was appointed as Chairman & Managing Director of the Company and Sri Rajeev Nannapaneni was appointed as Vice Chairman & Chief Executive Director of the Company with effective from April 1, 2024.

(d) Sri V.C. Nannapaneni, Sri Rajeev Nannapaneni, Sri P.S.R.K. Prasad, Dr. D. Linga Rao and Dr. Pavan Ganapati Bhat were re-appointed as Directors of the Company for a period of 2 years w.e.f. April 1, 2024.

(e) Sri A.D.M. Chavali and Sri D. Vijaya Bhaskar were appointed as Independent Directors of the Company with effect from April 1, 2024.

(f) Dr. M.U.R. Naidu, Independent Director of the Company vacated the office upon his demise on July 30, 2024.

(g) Sri Lakshminarayana B., Dr. Kantipudi Suma and Sri Nitin Jain were appointed as Additional Directors (Non-Executive Independent Directors) of the Company for a period of 5 (five) years i.e., from August 12, 2024 till August 11, 2029 and the same was approved by the members of the Company at the Annual General Meeting held on September 30, 2024.

(h) Dr. T.V. Rao and Dr. Leela Digumarti, Independent Directors of the Company completed their 2nd term of 5 years as Independent Directors of the Company with effect from August 24, 2024 and September 21, 2024 respectively.

(i) Dr. Pavan Ganapati Bhat, Director & Executive Vice President (Technical Operations) of the Company resigned w.e.f. closure of the business hours on February 12, 2025.

(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, 2025.

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 https://admin.natcopharma.co.in/wp-content/uploads/2025/06/FAMILIARIZATION-PROGRAM-FOR-INDEPENDENT-DIRECTORS.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.
Finance/Accounting Knowledge	Knowledge on financial reporting, accounting principles, internal controls, auditing process and related considerations and issues.
Governance	Experience as a board member and aware of corporate governance principles.

Industry knowledge	Knowledge of one or more important business lines of the organisations in the same industry.
Legal/ Regulatory knowledge	Experience in working in legal firms, regulatory organisations and Aware of legal matters relevant to the industry.
International / Global Knowledge	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	Global business	Strategy Planning & Marketing	Governance	Leadership	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, 2025 and considered those items of business as required under Schedule IV to the Act as well as 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 2024-25 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 27, 2024, August 12, 2024, November 12, 2024, and February 12, 2025 are given below:

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

(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 27, 2024, August 12, 2024 and February 12, 2025. 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	2
3.	Sri Lakshminarayana Bolisetty, Member	3	1
4.	Dr. Kantipudi Suma, Member	3	1

The following is the Criteria for evaluation of performance of Independent Directors:

I. Knowledge and Competency:

a) The Director meets the competencies as identified for effective functioning of the Company and the Board.

b) The Director possesses sufficient understanding and knowledge of the Company and the sector in which it operates.

c) The Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board/Committee.

d) The Director actively and successfully refreshes his/her knowledge and skills up to date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions.

e) The Director is able to present his/ her views convincingly yet diplomatically in the interest of the Company.

f) The Director keeps himself/ herself well informed about the Company and external environment in which it operates.

II. Fulfilment of Functions:

The Director understands and fulfils the functions assigned to him/her by the Board and the applicable Laws.

III. Ability to function as a Team:

a) The Director is able to function as an effective team member.

b) The Director's performance and behaviour promotes mutual trust and respect within the Board / Committee.

c) The Director is effective and successful in managing relationships with fellow Board members and senior management.

IV. Initiative:

a) The Director actively takes initiative with respect to various areas of his/ her functions.

b) The Director while acting within his/ her authority, assists in protecting the legitimate interests of the Company, shareholders, employees, etc.

V. Availability and Attendance:

a) The Director is available for meetings of the Board/Committees and attends the meetings regularly and timely, without delay.

b) The Director demonstrates a willingness to devote time and effort to understand the Company and its business and a readiness to participate in events outside the meeting room, such as site/plant visits.

VI. Commitment:

The Director is adequately committed to the Board and the Company.

VII. Contribution:

a) The Director's contribution to the Company and in the Board/Committee meetings are of high quality and innovative and effective.

b) The Director proactively contributes to the development of strategy and to risk management of the Company.

c) The Director effectively assists the Company in implementing the best corporate governance practices and monitoring the same as per the rules and regulations.

VIII. Integrity:

The Director demonstrates high level of integrity and honesty in all matters including conflict of interest disclosures and maintenance of confidentiality.

IX. Independence:

a) The Director is independent from the Company and the other Directors and there is no conflict of interest.

b) The Director adheres to the applicable Code of Conduct for Independent Directors.

X. Independent Views and Judgement:

The Director expresses his/her own independent judgment and voices opinion freely.

XI. Personal Attributes:

The Director has maintained high standard of ethics and integrity.

(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 meetings held on August 12, 2024 and February 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	2	2
2.	Sri V.C. Nannapaneni, Member	2	2
3.	Sri Rajeev Nannapaneni, Member	2	2
4.	Sri Nitin Jain, Member	2	1

During the financial year 2024-25, the Company has received 407 complaints from the shareholders, out of which it has resolved 407complaints and as on March 31, 2025 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 2024-25, 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 four (4) meetings of the Committee were held on May 27, 2024, August 12, 2024, November 12, 2024 and February 12, 2025.

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	4	4
2.	Sri Rajeev Nannapaneni, Member	4	4
3.	Sri D. Vijaya Bhaskar, Member	4	4
4.	Dr. Kantipudi Suma, Member	4	2

(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 August 23, 2024 and March 7, 2025 during the year.

The details of composition of the Committee and attendance of the meeting 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	2
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.Pavan Ganapathi Bhat, Member	2	0
7.	Sri A. Lakshminarayana, Member	2	1
8.	Sri S.V.V.N. Appa Rao, Member	2	2
9.	Dr. M. Pulla Reddy, Member	2	2
10.	Sri Nadella Malleswara Rao, Member	2	2

The Board of Directors of the Company at their meeting held on 18th July, 2025 re-constituted the Risk Management Committee with the following members:

Sl. No	NAME OF THE MEMBERS	DESIGNATION
	DIRECTORS	
1.	Sri V.C. Nannapaneni, Chairman	Chairman & Managing Director
2.	Sri Rajeev Nannapaneni, Member	Vice Chairman & Chief Executive Officer
3.	Sri P.S.R.K. Prasad, Member	Director & Executive Vice President (Corporate Engineering Services)
4.	Dr. D. Linga Rao, Member	Director & President (Technical Affairs)
5.	Sri Lakshminarayana Bolisetty, Member	Independent Director
	OTHERS	
6.	Dr. Sriram Rampalli, Member	Senior Vice President -C.R.D.
7.	Sri S.V.V.N. Appa Rao, Member	Chief Financial Officer
8.	Sri A. Lakshminarayana, Member	Senior Vice President – HR & OD
9.	Sri Bhimrao Dattu Jadhav, Member	Senior Vice President – Operations (Formulations)

Senior Management

The particulars of the senior management including the changes therein are provided under the “Management Team” of the Company in Page No. 83.

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 2024-25 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	99.86
2.	Sri Rajeev Nannapaneni	Vice Chairman & Chief Executive Officer	97.82
3.	Sri P.S.R.K. Prasad	Director & Executive Vice President (Corporate Engineering Services)	20.74
4.	Dr. D. Linga Rao	Director & President (Technical Affairs)	40.06
5.	Dr. Pavan Ganapati Bhat	Director and Executive Vice President (Technical Operations)	40.69
	Total		**299.17**

* 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 2024-25 is given below:

Sl. No	Name	Designation	Total Amount (₹ in million per annum)
1	Dr. T.V. Rao	Independent Director	0.35
2	Dr. Mrs. Leela Digumarti	Independent Director	0.15
3	Dr. M.U.R. Naidu	Independent Director	0.15
4	Sri ADM Chavali	Independent Director	0.68
5	Sri D Vijaya Bhaskar	Independent Director	1.10
6	Sri B Lakshminarayana	Independent Director	0.45
7	Dr. Suma Kantipudi	Independent Director	0.35
8	Sri Nitin Jain	Independent Director	0.35
	Total		**3.58**

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 three (3) meetings held during the year on July 31, 2024, August 28, 2024 and December 31, 2024.

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

Sl. No.	Name of the members of Committee Dealing with Land Property	Committee Dealing with Land Property Meeting(s) attendance	
		Held	Attended
1.	Sri V.C. Nannapaneni, Member	3	3
2.	Sri Rajeev Nannapaneni, Member	3	2
3.	Sri D. Vijaya Bhaskar, Member	3	3

(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.

The Board of Directors of the Company constituted the Committee at their meeting held on February 12, 2025 with the following members:

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

During the year under review, no committee meetings were held.

(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 2024-25, 8 (eight only) instruments of transmission and Transposition of equity shares for 1100 (Eleven hundred only) equity shares were received and the same were effected.

Internal Complaints Committee

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 2024-25:

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 16 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
2021-22	September 30, 2022	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.	1
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

Postal ballot

No resolution was passed through postal ballot during the Financial Year 2024-25.

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 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, 2024	August 12, 2024	August 13, 2024	Financial Express	Nava Telangana
September 30, 2024	November 12, 2024	November 13, 2024	Financial Express	Nava Telangana
December 31, 2024	February 12, 2025	February 13, 2025	Financial Express	Nava Telangana
March 31, 2025	May 28, 2025	May 29, 2025	Financial Express	Nava Telangana

GENERAL SHAREHOLDER INFORMATION

a) Details regarding Annual General Meeting

Date	Thursday, 25th September, 2025
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 are 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 2024-25 to the above mentioned Stock Exchanges and the custodial fee for the year 2024-25 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, 4^{th} & 5^{th} 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	403134	99.48	51560442	14.39
5001 - 10000	969	0.24	7202508	2.01
10001 - 20000	490	0.12	7033808	1.96
20001 - 30000	172	0.04	4308842	1.20
30001 - 40000	87	0.02	3043120	0.85
40001 - 50000	62	0.02	2784452	0.78
50001 - 100000	119	0.03	8731160	2.44
100001 and above	189	0.05	273555408	76.37
Total	**405222**	**100.00**	**358219740**	**100.00**

g) Dematerialisation of shares and liquidity

As on March 31, 2025, 99.77% of the shares of the Company is 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, 2025.

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) Parenterals Division

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, B-13 & B-14, Industrial Estate, Sanathnagar, Hyderabad - 500018, Telangana, India.

v) Pharma Division

Plot No.A3, UPSIDC, Selaqui Industrial Area, Dehradun 248197, 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, Industial Park Attivaram, Ozili Mandal, Tirupati Dist. -524 421, Andhra Pradesh, India.

x) Crop Health Sciences (CHS) – Formulations Unit

Plot No. 3, 8/1, Industrial Park - Attivaram Village, Ozili, Mandal, Tirupati Dist. - 524421, Andhra Pradesh, 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 2024-25 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, 2025. The Company had formulated a Related Party Transactions Policy which is available on the Company's Website at the following link: 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)

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, 2025. 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, 2025. 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, 2025 as follows:

Particulars	Amount (₹ in millions)
Audit fees	10
Certification fees	3
Reimbursement of expenses	1
Other services	-
Total	**14**

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, 2025*
2018-19	1st Interim	1.50	August 8, 2018	September 14, 2025	9,49,179.00
	2nd Interim	3.50	February 12, 2019	March 21, 2026	20,94,267.00
	3rd Interim	1.25	May 27, 2019	July 3, 2026	8,32,233.75
2019-20	1st Interim	1.25	August 9, 2019	September 15, 2026	7,74,655.00
	2nd Interim	1.00	November 12, 2019	December 19, 2026	6,38,420.00
	3rd Interim	3.50	February 12, 2020	March 20, 2027	21,64,547.00
	4th Interim	1.00	June 17, 2020	July 24, 2027	6,17,989.65
2020-21	1st Interim	1.25	August 12, 2020	September 18, 2027	6,40,132.16
	2nd Interim	3.00	November 12, 2020	December 19, 2027	13,36,781.90
	3rd Interim	1.00	February 11, 2021	March 20, 2028	6,10,807.81
2021-22	1st Interim	2.00	August 12, 2021	September 18, 2028	11,09,113.58
	2nd Interim	0.50	November 11, 2021	December 18, 2028	3,07,423.77
	3rd Interim	2.00	February 14, 2022	March 23, 2029	11,04,217.66
2022-23	1st Interim	3.50	August 9, 2022	September 15, 2029	13,46,345.63
	2nd Interim	0.75	November 10, 2022	December 17, 2029	3,50,188.84
	3rd Interim	1.25	February 9, 2023	March 18, 2030	5,17,312.87
2023-24	1st Interim	7.00	August 9, 2023	September15, 2030	23,94,738.03
	2nd Interim	1.25	November 14, 2023	December 21, 2030	5,11,202.09
	3rd Interim	1.25	February 14, 2024	March 22, 2031	4,61,559.62
2024-25	1st Interim	3.00	August 12, 2024	September 18, 2031	12,06,182.13
	2nd Interim	1.50	November 12, 2024	December 19, 2031	13,40,970.40
	3rd Interim	1.50	February 12, 2025	March 21, 2032	15,74,671.83

* 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 FIVE 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 2011, 2015	10,41,030.00	March 19, 2022
2015-2016	February 2011, 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

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, 2024	21,200
Number of shareholders and shares transferred to IEPF	Nil
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 2024-25	1,600
Aggregate number of shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2025	19,600

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, 2025.

For **NATCO Pharma Limited**

Rajeev Nannapaneni
Vice Chairman & CEO
DIN: 00183872

Place: Hyderabad
Date: August 12, 2025

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, 2025 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 28, 2025

Rajeev Nannapaneni
Vice Chairman & Chief Executive Officer
DIN: 00183872

S.V.V.N. Appa Rao
Chief Financial Officer

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, 2025 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.

D. Renuka
Practicing Company Secretary
ICSI Peer Review UIN: L2000TL172900
UDIN: A011963G000972912

Place: Hyderabad
Date: August 12, 2025

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, 2025 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.	Vijayabhaskar 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 of 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.

D. Renuka
Practicing Company Secretary
ICSI Peer Review UIN: L2000TL172900
UDIN: A011963G000972967

Place: Hyderabad
Date: August 12, 2025

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.	Year of incorporation	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, 2024 to March 31, 2025
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	NA
15.	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing and sale of pharmaceutical products	NATCO operates in two different business segments: pharmaceuticals and agrochemicals. Within 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 the 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?

78.6% 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)	3779	3415	90.37%	364	9.63%
2.	Other than Permanent (E)	294	228	77.55%	66	22.45%
3.	**Total employees (D + E)**	**4073**	**3643**	**89.44%**	**430**	**10.56%**
			WORKERS			
4.	Permanent (F)	420	380	90.48%	40	9.52%
5.	Other than permanent (G)	462	387	83.77%	75	16.23%
6.	**Total workers (F + G)**	**882**	**767**	**86.96%**	**115**	**13.04%**

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)	14	13	92.86%	1	7.14%
2.	Other than Permanent (E)	1	0	0%	1	100%
3.	**Total differently abled employees (D + E)**	**15**	**13**	**86.67%**	**2**	**13.33%**
		DIFFERENTLY ABLED WORKERS				
4.	Permanent (F)	5	5	100%	0	0
5.	Other than permanent (G)	4	4	100%	0	0
6.	**Total differently abled workers (F + G)**	**9**	**9**	**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 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17.48%	16.44%	17.38%	13.79%	1.87%	15.66%	14.4%	1.83%	16.23%
Permanent Workers	1.41%	4.44%	1.70%	0.31%	0.04%	0.35%	3.22%	1.14%	4.37%

Note: The previous years' data has been reconsidered, while the current FY 2024–25 figures are reported as per BRSR guidelines.

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.	Stepdown 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	Stepdown subsidiary	100%	No
9.	PT. NATCO Lotus Farma	Subsidiary	51%	No
10.	NATCO Pharma Colombia S.A.S	Subsidiary	100%	No
11.	NATCO Pharma UK Limited	Subsidiary	100%	No

VI. CSR Details

24. (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)**

Yes

(ii) **Turnover (in ₹):** 40,945 million

(iii) **Net worth (in ₹):** 73,339 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 2024-25 (Current Financial Year)			FY 2023-24 (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	–	–	–	–	–	–

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 2024-25 (Current Financial Year)			FY 2023-24 (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
Shareholders	Yes	407	0	_	291	6	The pending complaints were received during the last week of the Quarter ended 31st March, 2024 and the same had been resolved within due date
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/2025/05/Stakeholder-grievance-redressal-policy-_28082024103852.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)
1	Energy and emissions	Opportunity	We have established goals to reduce GHG emissions across our facilities, with key initiatives such as sourcing renewable electricity, implementing captive solar, operating our own windmills and utilizing biofuel-fired boilers to drive these reductions	Our objective is to increase the percentage of renewable energy to 35% by the end of 2035. Along with that, our goal is to become carbon neutral by 2050.	Positive: Built-in advantages include lower overall energy costs and decreased emissions.

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)
2	Water management	Risk and Opportunity	Opportunity: We are committed to responsible water management across all our operations. By actively monitoring and reducing water usage, we are addressing risks related to scarcity, pollution, and regulatory compliance, while also securing a sustainable future for both our business and the communities we serve. Risk: Water plays an essential role in pharmaceutical manufacturing, serving as a key input in the production, formulation, and processing of APIs, intermediates, and finished products. It is widely used in the manufacturing and cleaning activities. Therefore, water management becomes crucial for the Company's operations.	In FY 24-25, we successfully recycled 53.11% of our water. Our initiatives include adopting water-saving technologies, monitoring water consumption, treating and recycling wastewater, rainwater harvesting and reuse, and ensuring full compliance with water regulations.	Positive: A strong financial outlook driven by our efforts to reduce costs and optimize water usage. Negative: Costs associated with water scarcity, water pollution and fines for noncompliance.
3	Climate change	Risk and Opportunity	Risk: Climate change impacts such as extreme weather events, rising sea levels, and pose risks to operations, supply chains, and infrastructure, Opportunity: It also presents opportunities, energy efficiency improvements, and increased use of renewable energy.	We are conducting energy and water audits, investing in renewable energy and adapting infrastructure to mitigate climate change impacts. Our target is to increase RE in our energy mix to 35% by 2035 and achieve carbon neutrality by 2050.	Positive: Mitigation of climate-related risks and associated financial losses. Negative: Costs associated with climate-related damages, regulatory compliance.
4	Waste management	Risk	Improper waste management, environmental contamination, and failure to adhere to regulations can result in financial penalties, legal repercussions, and harm to an organization's reputation.	We ensure adherence to best practices, keeping our production facilities operate in compliance with the standards. Efforts are directed toward minimizing the organic and inorganic waste throughout all operational phases, promoting recycling and reuse while striving to limit landfill disposal.	Negative: Costs associated with waste disposal, fines for non-compliance and remediation expenses.
5	Health and safety	Risk and Opportunity	Opportunity: Our employees are the foundation of our operations, and we are committed to ensuring their health, safety, and well-being. Minimizing incidents and accidents enhances productivity and efficiency, ensuring a seamless supply of products. Risk: Health and safety incidents may disrupt the production activity and impact the wellbeing of the employees and workers.	We have established a comprehensive EHS policy that outlines our commitment to ensuring the health and safety of all employees across our operations. Two API units (Mekaguda & Chennai), Five Formulations units (Kothur, Nagarjuna Sagar, Vizag, Dehradun & Guwahati) and one R&D centre had accredited with ISO 14001-2015 EMS & ISO45001-2018 OHS Management systems.	Positive: Saved time with efficient systems in place. Negative: Expenses related to workplace incidents, including medical costs, legal charges, and regulatory penalties. It also leads to loss of productivity

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)
6	Employee engagement and development	Opportunity	Skilled and well-trained employees are more efficient, creative, and committed. Investing in their growth promotes talent retention and strengthens overall organizational performance.	Facilitating continuous training and development, encouraging transparent communication, acknowledging and rewarding accomplishments, and supporting a healthy work-life balance.	Positive: Higher employee productivity results in higher output and efficiency, stronger talent retention, boosted innovation, and a positive work environment.
7	Community engagement and development	Opportunity	Engaging with local communities and investing in community development initiatives cultivate strong relationships, enhance brand image, and demonstrate a commitment to corporate social responsibility and community development.	Engaging in community outreach programs, supporting local initiatives, valuing community feedback, and proactively addressing local needs and concerns.	Positive: Positive societal impact, enhanced community relations and improved brand reputation.
8	Corporate Governance and Business Ethics	Risk and Opportunity	Risk: Inadequate adherence to the highest standards of corporate governance and business ethics may lead to regulatory and reputational issues Opportunity: Corporate Governance and Business Ethics are not just about "doing the right thing" — they create real business opportunities by building trust, attracting capital, reducing risks, and ensuring long-term growth. Our commitment to excellence enables us to foster a culture of ethics, earning the respect and loyalty of our stakeholders	Enforcing strong data security protocols, adhering to privacy regulations, encrypting confidential data, and training employees on data protection practices. We utilize advanced firewalls, the latest anti-virus and anti-malware software, and other security measures to safeguard data against both internal and external threats.	Positive: Establishing and implementing robust policies and procedures that uphold effective corporate governance contributes significantly to ensuring long-term business sustainability. Negative: Non-compliance with applicable regulatory standards can negatively impact the Company's reputation and pose risks to its long-term operational continuity.
9	Product Quality and Safety	Risk and Opportunity	Opportunity: Superior product quality forms the foundation of customer trust. We are committed to uncompromising standards of quality, safety, and effectiveness in our products, ensuring strict regulatory compliance while exceeding customer expectations. Through substantial investments in rigorous quality assurance practices, we aim to reduce the likelihood of product recalls and regulatory infractions. Risk: However, compromising on pharmaceutical product quality would imply a compromise on patients' overall health and wellbeing. This will also entail failure to comply with GxP (Good Laboratory Practices, Good Manufacturing Practices and Good Clinical Practices)	We follow stringent Good Manufacturing Practices (GMP) by conducting thorough testing of both raw materials and final products, ensuring validated manufacturing processes and frequent facility inspections. Furthermore, we maintain strong quality control measures and implement comprehensive pharmacovigilance systems to uphold safety and compliance.	Positive: Ensuring superior product quality builds customer confidence, driving business growth and increased revenue. Negative: Market share decline, financial setbacks, and product withdrawals.

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)
10	Diversity and inclusion	Opportunity	Diverse and inclusive work environment drive creativity, innovation, and employee satisfaction. Embracing diversity improves decision-making and nurtures a culture of 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, boosts productivity, and a stronger brand reputation as an inclusive employer.
11	Supply chain management	Risk and Opportunity	Opportunity: We take a proactive approach to supply chain management, allowing us to streamline resource allocation, enhance efficiency, and ensure continuous supply. Risk: However, despite these measures, we are still susceptible to supply chain disruptions that may affect operations.	Implementing supply chain transparency, diversifying suppliers, conducting risk assessments, and establishing contingency plans	Positive: A robust supply chain helps prevent disruptions, enhancing overall efficiency and performance. Negative: Delays in production could lead to revenue loss and not adherence to the delivery timeline.
12	Data privacy	Risk	The threat of trade secret loss or unauthorized disclosure of confidential information, along with potential external cyberattacks.	Enforcing strong data security protocols, adhering to privacy regulations, encrypting confidential data, and training employees on data protection practices. We utilize advanced firewalls, the latest anti-virus and anti-malware software, and other security measures to safeguard data against both internal and external threats.	Negative: Costs associated with data breaches. Failure to protect data privacy requirements can undermine the Company's reputation and threaten its long-term operational resilience. In addition, the reputational costs associated with data breaches further highlight the critical importance of safeguarding sensitive information.
13	Human rights	Risk	Violations of human rights in operations or supply chain can lead to legal liabilities, reputational damage, and loss of customer trust.	Implementing human rights due diligence, defining clear processes for human rights related grievances, addressing human rights issues in operations of the supply chain, and collaborating with stakeholders.	Negative: Costs associated with legal fees, regulatory fines and loss of market share.
14	Access and affordability	Opportunity	Providing access healthcare solutions enhances patient care, advances public health initiatives, and supports overall social well-being.	Implementing access programs, adopting equitable pricing strategies, and building partnerships to enhance the availability of medicines.	Positive: Larger market share, strengthened brand reputation, positive societal impact, and increased customer loyalty.

Note: At NATCO Pharma, identifying material ESG issues is essential to guiding our responsible business practices. Through a structured materiality assessment, we identify, prioritize, and validate key environmental and social issues that pose risks or offer opportunities. These include access to healthcare, product quality and compliance, environmental impact, employee well-being, and ethical governance. Each issue is assessed based on stakeholder relevance and potential financial implications. Our proactive approach ensures that ESG initiatives are targeted, meaningful, and support long-term value creation.

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	Yes, we have policies in place in our website and also attached an Annexure 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- ISO 45001, USFDA, PMDA (Japan), COFEPRIS (Mexico), WHO GMP, ANVISA (Brazil), TGA (Australia)								
	P2- ISO 14001: 2015, USFDA, PMDA (Japan), COFEPRIS (Mexico), WHO GMP, ANVISA (Brazil), TGA (Australia)								
	P3- ISO 45001: 2018								
	P4-								
	P5- ISO 45001: 2018								
	P6- ISO 14001: 2015, USFDA, PMDA (Japan), COFEPRIS (Mexico), WHO GMP, ANVISA (Brazil), TGA (Australia)								
	P7-								
	P8-As per the CSR Rules prescribed under the Companies Act, 2013								
	P9- USFDA, PMDA (Japan), COFEPRIS (Mexico), WHO GMP, ANVISA (Brazil), TGA (Australia)								
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, sustainability is significant our business, driving strategic decisions and daily operations. It is not an option but a fundamental responsibility that defines our identity and long-term vision. From the initial concept of a product, we embed environmentally conscious design and adhere to responsible development timelines ensuring sustainable operations while we deliver solutions to those in need.

In Sync with Nature:

We are progressively increasing our reliance on renewable electricity, with 25.05% of total electricity consumption now sourced from renewable sources such as solar, wind and also from purchased renewable electricity. Additionally, 12.98% of the company's overall energy usage comes from renewable sources. Looking ahead, Natco aims to expand the renewable share in its energy mix to 35% by 2035 and achieve 100% carbon neutrality by 2050, reinforcing its commitment to sustainability and environmental responsibility.

Natco Pharma is dedicated to sustainability, prioritizing efficient water management and waste reduction. In FY 2024-25, 53.11% of total water consumption was recycled and we aim to develop a roadmap towards water neutrality in Mekaguda API and Chennai API units.

We continue to enhance reuse, recycling, and co-processing, transforming waste into alternative fuels and raw materials instead of landfills or incineration.

Inclusive Growth:

At NATCO Pharma, our primary focus is the well-being and growth of our people. We have implemented initiatives that nurture inclusivity, equal opportunity, and mutual respect, ensuring a safe and dignified workplace for all. Beyond corporate responsibility, we are committed to social impact, supporting education, healthcare, and empowerment programs through the NATCO Trust (CSR arm of NATCO Trust), making a long-lasting difference in the communities we serve.

NATCO Pharma is guided by a strong purpose: "Make Specialty medicines accessible to all" by leveraging our expertise in Research and Development.

Product quality and safety are fundamental to our sustainability commitment. We proactively embed responsible product stewardship, integrating sustainable practices across the entire lifecycle. By leveraging eco-friendly technologies and process efficiencies, we enhance resource optimization, waste reduction, and ensure the long-term sustainability of our healthcare solutions.

Leading With Responsibility:

At NATCO Pharma, we uphold strong ethical values and a rigorous corporate governance framework, ensuring transparency and stakeholder protection. Our diverse Board, enriched by varied expertise, perspectives, and backgrounds, strengthens our leadership. We have implemented a Sustainable Sourcing Policy. Additionally, we are taking initiatives to acquire ISO: 27001 (Information Security Management System) certifications across all locations, reinforcing our commitment to information security and asset protection.

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, 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.

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

Name of the Policy		Weblink
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
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

Note1:

Focus Area	Commitments/ Goals/ Targets	Current Performance
Principle 3: Enhancing safety culture at workplace	• Zero reportable incident and injury free workplace. • ISO 45001 – 2018; Occupational Health and Safety Management Certification for all our manufacturing facilities by 2025-26. • Imparting training to employees of 40 hours/person/year by 2025-26.	• In FY 24-25, we have recorded 0.073 Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) and total number of recordable work-related injuries are 4. • Two API units (Mekaguda & Chennai), Five Formulations units (Kothur, Nagarjuna Sagar, Vizag, Dehradun & Guwahati) and one R&D centre had accredited with ISO45001-2018 OHS Management systems. • Imparted approximately 27 hours/person/year training in FY 24-25.
Principle 6: Our commitment to Environmental stewardship	• Enhancing the renewable energy component in energy mix to 35% by 2035. • Carbon neutrality by 2050. • Roadmap for Water neutrality for our API Units located at Mekaguda and Chennai by 2025 -26. • ISO 14001 – 2015; Environment Management System certification for all our manufacturing facilities by 2025-26.	• In FY 24-25, 25.05% of our overall electricity consumption and 12.98% of our entire energy (electricity+fuel) consumption was derived from Renewable sources. • Reduction in scope 1 emission compared to last year is 2.31%. • In FY 24-25, total water recycled with respect to consumption is 53.11%. Moreover, reduction in water withdrawal and water consumption compared to last year is respectively 5.21% and 8.16%. • Two API units (Mekaguda & Chennai), Five Formulations units (Kothur, Nagarjuna Sagar, Vizag, Dehradun & Guwahathi) and one R&D centre had accredited with ISO 14001-2015 EMS.
Principle 8: Our social commitment	• Aiming to enhance early childhood education outcomes by deploying an additional educator 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. • Improve FLN (Foundational Literacy and Numeracy) outcomes with a partner organisation in 1356 schools in 2 districts of Telangana. • Construction of Secondary Eye Care Centre at Munipalle, Guntur in collaboration with LVPEI (FY 25) and Extension Block at NATCO Cancer Centre in Guntur General Hospital (FY 27).	• NATCO Trust (CSR arm) started the implementation of the pilot initiative in 35 Anganwadi Centres in Kothur, Hyderabad Nagarjuna Sagar and Guntur benefiting 713 children. • As part of the Foundational Literacy and Numeracy (FLN) initiative, classroom practices were enhanced, mentor effectiveness improved, teacher trainings were conducted with data informed review practices in Medchal Malkajgiri and Bhadradri Kothagudem districts of Telangana. • Our Secondary Eye Care Centre in collaboration with LVPEI in Andhra Pradesh was inaugurated on 13 January 2025 at Munipalle Village, Ponnur Mandal, Guntur District, with an estimated number of 1689 people benefitted from this project. • NATCO Trust signed an MoU with Govt of Andhra Pradesh to build an extension block to the existing NATCO Cancer Centre to add more beds in addition to the existing facility. As part of the initiative, NATCO Trust will facilitate the construction of a new 100-bed block alongside the existing 100-bed facility at the Cancer Centre.

1 PRINCIPLE

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 Familiarisation 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	377	The employees of the company undergo various training programs throughout the year, covering a range of topics including Code of Conduct, Policy on Sexual Harassment (POSH), ongoing training on current good manufacturing practices (cGMP), good manufacturing practices (GMP), safety in the pharmaceutical industry, first aid, fire safety, emergency preparedness, and physical well-being.	100%
Workers	275	The company provides various trainings throughout the year for its workers. These trainings include Policy on Sexual Harassment (POSH), skill upgradation, Health & Safety, and Emergency preparedness, which are conducted based on a yearly training schedule.	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

	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	
Punishment	-	NA	NA	

* In the previous report the non-monetary data were not available

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 full compliance with all applicable laws, rules, and regulations. This policy provides clear guidance for identifying and addressing ethical concerns, establishes mechanisms 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 2024-25 (Current Financial Year)	FY 2023-24 (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 2024-25 (Current Financial Year)		FY 2023-24 (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 2024-25	FY 2023-24
Number of days of accounts payables	120	121

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	FY2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	7.01%	8.07%
	b. Number of trading houses where purchases are made from	80	128
	c. Purchases from Top 10 trading houses as % of total purchases from trading houses	70.41	39.18%
Concentration of Sales	a. Sales to dealer/ distributers as % of total sales	9.42%	14%
	b. Number of dealers / distributors to whom sales are made	3067	2,507
	c. Sales to top 10 dealer/ distributers as % of total sales to dealer/ distributers	22.06%	18%
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	0	0%
	b. Sales (Sales to related parties / Total Sales)	3.26%	3%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0.42%	0.32%
	d. Investments (Investments in related parties/Total Investments made)	57%	65%

Note: Data reconsidered from last year

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 done with such partners) under the awareness programmes
1	Sustainability Journey on EHS policies	2.65%

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 'Code of Conduct for Board Members, Senior Management Personnel and Employees', 'Related Party Transaction Policy' and 'Nomination and Remuneration Policy' in place.

The 'Code of Conduct for Board Members, Senior Management Personnel and Employees' policy helps manage or avoid conflicts of interest involving members of the Board by requiring them to be scrupulous in avoiding 'conflicts of interest' with the Company and in cases where there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Board of Directors or any Committee / Officer nominated for this purpose by the Board and a prior written approval should be obtained.

The company also follows a 'Related Party Transaction Policy' that applies to both board members and key managerial personnel (KMPs). Under this policy, any transaction involving related parties must receive approval from the Audit Committee and the Board of Directors. To ensure transparency and fairness, any director or KMP with a vested interest is required to step aside from discussions during the decision-making process.

Moreover, the Nomination and Remuneration Policy of Natco Pharma helps manage or avoid conflicts of interest involving Board members by formulating clear criteria for identifying persons qualified to become Directors, Key Managerial Personnel, and Senior Management, and ensuring that all remuneration is recommended by the independent Nomination and Remuneration Committee and approved by the Board. Additionally, the policy prohibits Independent Directors from being associated with the company in any other capacity during the cooling-off period between terms, thereby reinforcing objectivity and independence.

2 PRINCIPLE

Businesses should provide goods and services in a manner that is sustainable and safe

At NATCO Pharma, we are committed to delivering high-quality, affordable medicines while ensuring that our operations are safe, ethical, and environmentally responsible. Our products are developed and manufactured in accordance with stringent quality and safety standards, with a focus on minimizing our impact on health, society, and the environment.

We follow a responsible sourcing approach by engaging suppliers who align with our sustainability criteria. In addition, we continuously enhance our waste management practices, ensuring the safe handling of hazardous materials, recycling plastic waste through authorized agencies, and active efforts to reduce landfill dependency through innovative waste minimization strategies.

Our Environment, Health, and Safety (EHS) systems are well-established across all sites, supported by regular audits, employee training, and emergency preparedness. Furthermore, we initiated Life Cycle Assessments (LCA) to evaluate and enhance the environmental performance of our key products in a phased manner throughout their life cycle.

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	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	0.29 % (Rs.12,35,55,540)	1.14%	These projects pertain to improving environment footprint through energy conservation, water conservation, reducing resource waste.

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

Yes. Our Sustainable Procurement Policy defines clear expectations for suppliers across four key areas: business integrity, environmental responsibility, labor practices, and legal compliance. Applicable to all suppliers, the policy establishes a code of conduct that emphasizes employee health, safety, and well-being, embeds sustainability principles, and promotes efficient resource utilization. It requires critical suppliers to adhere to environmental laws, regulations, and industry standards, including proper hazardous waste management and compliance with emission limits, while ensuring transparency in the origin and sourcing of materials. Suppliers are also encouraged to promptly report any breaches of the Company's Code of Conduct and to implement appropriate corrective actions.

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 been formally quantified yet. While the company collects preliminary ESG-related information from suppliers under its Sustainable Procurement Policy, it is in the process of establishing a formal mechanism to verify these claims and calculate 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 follow an eco-friendly approach to waste management by following 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 fulfills 100% of its Extended Producer Responsibility (EPR) obligation 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, equivalent to the total quantity of packaging introduced in the market.

b) E-waste: E-waste generated is handed over to authorized e-waste recyclers by collection centers, or authorized dismantlers for recycling, as per the E-waste management rules 2022.

c) Hazardous waste: Hazardous waste generated is sent to authorized cement industries, pre-processing facilities, or TSDF (Treatment Storage Disposal Facility) for safe disposal.

d) Other waste: Sent 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 our organization's activities. We are registered as a Brand Owner under the Plastic Waste Management Rules and have submitted an EPR Action Plan in line with CPCB guidelines. The EPR targets are fulfilled through authorized third-party waste management agencies, and during the reporting year 189 tons of post-consumer plastic packaging waste was managed through recycling, co-processing or other environmentally sound disposal methods in accordance with the approved plan submitted to the 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.
210	Apixaban	0.46%	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
Apixaban	No significant environmental risks or concerns were identified through the LCA for the Apixaban product. However, as part of our proactive sustainability approach, preventive measures have been implemented to further reduce potential environmental impacts and enhance process efficiency.	To reduce the environmental impact associated with the Apixaban product, the following key actions have been implemented: **1. Process Innovation through R&D** 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 impacts by approximately **50%** compared to the existing route. We are also actively working on increasing the proportion of renewable energy in our overall energy mix.

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 2024-25 Current Financial Year	FY 2023-24 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 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	75	114	0	123	19
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 fulfills 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

At NATCO Pharma, we deeply value the well-being, safety, and growth of every employee and worker who is part of our journey. We nurture their health and happiness through health and life insurance, regular medical check-ups, and maternity benefits. We listen carefully to our people through a fair and confidential grievance redressal process, ensuring their voices are heard and respected. We have established strong Environment, Health, and Safety (EHS) practices across all sites, supported by regular audits, comprehensive safety training, and thorough emergency preparedness measures to maintain safe and secure workplaces. Furthermore, through the implementation of a sustainable procurement policy, we encourage responsible sourcing practices.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	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	3415	3090	90.48%	3415	100%	0	0	0	0	0	0
Female	364	305	83.79%	364	100%	364	100%	0	0	0	0
Total	**3779**	**3395**	**89.84%**	**3779**	**100%**	**364**	**100%**	**0**	**0**	**0**	**0**

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)
Other than Permanent employees											
Male	228	113	49.56%	228	100%	0	0	0	0	0	0
Female	66	13	19.70%	66	100%	66	100%	0	0	0	0
Total	**294**	**126**	**42.86%**	**294**	**100%**	**66**	**100%**	**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	380	373	98.16%	380	100%	0	0%	0	0%	0	0%
Female	40	39	97.50%	40	100%	40	100%	0	0%	0	0%
Total	**420**	**412**	**98.10%**	**420**	**100%**	**40**	**100%**	**0**	**0%**	**0**	**0%**
Other than Permanent workers											
Male	387	64	16.54%	387	100%	0	0%	0	0%	0	0%
Female	75	0	0 %	75	100%	0	0%	0	0%	0	0%
Total	**462**	**64**	**13.85%**	**462**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.43% (20.85 Crores)	0.5% (19 Crores)

Note:

[1] All employees and workers of Natco Pharma are eligible for health insurance coverage, although a certain segment has chosen not to avail themselves of this benefit.

[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's facilities (Kothur & Nagarjuna Sagar), Vizag and R&D Center but have not been utilized.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	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	5.87%	44.56%	Yes	8%	50%	Yes
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

Premises/offices have ramps for easy movement of differently abled people and wheelchair- accessible restrooms are available.

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	50	100		
Total	**50**	**100**		

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	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.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (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	3415	0	0%	3188	0	0%
Female	364	0	0%	305	0	0%
Total	**3779**	**0**	**0%**	**3493**	**0**	**0%**
Total Permanent Workers						
Male	380	329	86.58%	473	323	68.3%
Female	40	39	97.5%	50	39	78.0%
Total	**420**	**368**	**87.62%**	**523**	**362**	**69.22%**

8. **Details of training given to employees and workers:**

Category	FY 2024-25 Current Financial Year					FY 2023-24 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	3643	3643	100%	3074	84.38%	3372	2047	60.7%	1489	44.2%
Female	430	430	100%	430	100%	390	295	75.6%	195	50%
Total	**4073**	**4073**	**100%**	**3504**	**86.02%**	**3762**	**2342**	**62.3%**	**1684**	**44.8%**
Workers										
Male	767	767	100%	748	97.5%	873	870	99.7%	852	98%
Female	115	115	100%	96	83.48%	127	105	83%	112	88%
Total	**882**	**882**	**100%**	**842**	**95.46%**	**1000**	**975**	**98%**	**964**	**96%**

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

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	3643	2552	70%	3372	2395	71%
Female	430	281	65%	390	222	56.9%
Total	**4073**	**2893**	**71%***	**3762**	**2617**	**69.9%**
Workers**						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

* 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. Most 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 employs a comprehensive approach to identify work-related hazards and assess risks on both routine and non-routine bases. Key processes include HAZOP (Hazard and Operability Study) for systematic examination of complex processes to identify potential hazards, and HIRA (Hazard Identification and Risk Assessment) for evaluating the level of risk associated with various tasks. In addition, the organization has established detailed Standard Operating Procedures (SOPs) for all critical operations to ensure consistent safety practices. A robust Work Permit System is also in place to control high-risk and non-routine activities such as confined space entry, hot work, and working at heights, ensuring all necessary precautions are taken before commencing such tasks. These processes are supported by regular audits, inspections, and employee training programs to continuously improve workplace safety.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we encourage a safety-oriented mindset among workers as a vital part of our occupational health and safety system, with a strong commitment to the goal of 'Zero Injury.' Workers are regularly engaged through structured training programs, toolbox talks, and safety briefings to build awareness, reinforce safe practices, and ensure clarity on safety procedures.

A comprehensive guidance document is in place to help identify, evaluate, and mitigate Safety, Health, and Environment (SH&E) risks. It provides clear instructions on risk assessment methods and outlines the roles and responsibilities of workers and supervisors in managing safety for all site activities. Workers are empowered to report any unsafe act, condition, or near-miss, and they have the right to step away from tasks they believe pose a serious risk to their safety or health.

d. Do the employees/ worker 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 doctors and nurses to monitor and support the overall well-being of our workforce. In addition, we provide comprehensive health insurance coverage through our Group Medical Insurance policy and the Employee State Insurance Scheme (ESIC), ensuring access to a wide range of medical and healthcare services beyond occupational needs.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.073	0
Total recordable work-related injuries	Employees	2	0
	Workers	2	0
No. of fatalities	Employees	0	0
	Workers	0	0

Safety Incident/Number	Category*	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
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 work place.

We follow a comprehensive Occupational Health and Safety Management System aligned with ISO 45001 standards. Hazard Identification and Risk Assessment (HIRA) exercises are conducted regularly to identify potential workplace hazards and implement appropriate control measures. A strict Permit-to-Work (PTW) system is in place to manage 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 units, we deploy scrubber systems and other emission control technologies to minimize exposure to volatile organic compounds (VOCs), dust, and odours. To ensure fire safety, we maintain well-functioning fire detection and alarm systems, equip our facilities with fire extinguishers, and conduct regular fire drills to enhance emergency preparedness. Regular safety surveillance, inspections, and internal audits are carried out to maintain compliance and identify opportunities for improvement. We conduct exposure assessments and Leak Detection and Repair (LDAR) studies to monitor environmental and occupational health risks.

We provide regular health and safety training to all employees and workers and conduct emergency preparedness drills for scenarios such as chemical spills and fire incidents. Periodic medical check-ups are conducted by independent agencies, with specialized tests for employees exposed to chemicals or dust. We operate a fully equipped Occupational Health Centre (OHC) with the availability of a qualified doctor and nurse to provide immediate healthcare support on-site.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (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	5	0	NIL	14	0	-
Health & Safety	24	0	NIL	59	0	-

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 deeply committed to ensuring a safe and healthy work environment across all our operations. Regular internal audits are conducted to evaluate safety parameters, and necessary corrective actions are taken based on the audit findings. To strengthen fire safety measures, auto modular type fire extinguishing systems have been installed in critical areas, enabling prompt response in case of emergencies.

We have undertaken a thorough assessment of solids charging operations, leading to the implementation of reverse charging systems where applicable. Additionally, solids charging hoppers have been equipped with double flap valve arrangements to enhance operational safety and minimize exposure risks.

To further reinforce process safety, HAZOP (Hazard and Operability) studies have been conducted to proactively identify and mitigate potential hazards. Our workforce receives regular training on behaviour-based safety, first aid, and emergency response, delivered through certified external agencies. Fire drills are also conducted periodically to ensure preparedness. Environment, Health, and Safety (EHS) campaigns are carried out at our facilities to raise awareness and promote a 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's Group Term Insurance Policy offers financial protection in the event of death, permanent disability, or partial disablement. Additionally, employees are enrolled in a Company-sponsored Healthcare Plan, ensuring access to a wide range of medical services and hospitalization support. These benefits reflect Natco's commitment to ensuring the health, safety, and financial security of its employees.

   (B) Workers (Y/N): All workers are covered under the company's Group Term Insurance Policy, providing financial protection in the event of death, permanent disability, or partial disablement. In accordance with statutory provisions, workers are also enrolled under the Employee's State Insurance Corporation (ESIC) scheme. In addition to ESIC, some workers are also covered under the company-sponsored healthcare insurance plan, which provides 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.

	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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	0	0	0	0
Workers	1	0	0	0

3. **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)**

   No

4. **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	0
Working Conditions	0

5. **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

At NATCO Pharma, we recognize that our success is deeply connected to the trust and well-being of the people and communities we serve. We are committed to listening to our stakeholders, including employees, customers, communities, investors, suppliers, and more, and responding to their needs with care and responsibility. Regular and structured stakeholder engagement enable us to understand their expectations and integrate them into our decision-making processes.

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	As mandated or required	Financial performance and Business sustainability
2.	Regulators/ Government	No	Mandatory submissions • Meetings and interactions • Audits	As mandated or required	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	• Continuing Medical Education	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	Briefing 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	Brief 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.**

   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 analysed 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 actively engage with vulnerable and marginalized communities to identify their critical needs and subsequently implement targeted interventions to address them. These stakeholder engagements are carried out through regular field visits, community meetings, collaboration with local government bodies, and feedback mechanisms integrated into project implementation.

Some Instances of Engagement:

- Early Childhood Education – Anganwadi Centres
- Bala Vikasa Kendra (BVK)
- Post-School Tuitions for Government School Children
- Additional Full-Time Teaching Volunteers at Government Schools (multiple locations)
- NATCO Zilla Parishadh High School & Others

These initiatives are strategically designed to promote inclusive education, improve learning outcomes, and support the overall well-being of children and families in underserved and socio-economically backward areas that face developmental and resource access challenges.

5 PRINCIPLE

Businesses should respect and promote human rights

Essential Indicators

At NATCO Pharma, we uphold ethical business practices, ensuring fair treatment for employees, suppliers, and stakeholders. Our Code of Conduct integrates human rights, environmental responsibility, and labour law compliance, cultivating transparency and accountability. Additionally, our Whistleblower Policy protects against retaliation and harassment, promoting a safe and respectful environment.

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 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	3779	3779	100%	3493	3493	100%
Other than permanent	294	294	100%	269	269	100%
Total Employees	**4073**	**4073**	**100%**	**3762**	**3762**	**100%**
Workers						
Permanent	420	420	100%	523	523	100%
Other than permanent	462	462	100%	477	477	100%
Total Workers	**882**	**882**	**100%**	**1000**	**1000**	**100%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2024-25					FY 2023-24				
	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	3779	0	0%	3779	100%	3493	0	0%	3493	100%
Male	3415	0	0%	3415	100%	3188	0	0%	3188	100%
Female	364	0	0%	364	100%	305	0	0%	305	100%
Other than Permanent	294	0	0%	294	100%	269	0	0%	269	100%
Male	228	0	0%	228	100%	184	0	0%	184	100%
Female	66	0	0%	66	100%	85	0	0%	85	100%
Workers										
Permanent	420	0	0%	420	100%	523	0	0%	523	100%
Male	380	0	0%	380	100%	473	0	0%	473	100%
Female	40	0	0%	40	100%	50	0	0%	50	100%
Other than Permanent	462	0	0%	462	100%	477	0	0%	477	100%
Male	387	0	0%	387	100%	400	0	0%	400	100%
Female	75	0	0%	75	100%	77	0	0%	77	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	6,89,39,676	1	NIL
Key Managerial Personnel	2	81,73,991	-	-
Employees other than BoD and KMP	3543	7,01,124	422	4,58,256
Workers	474	7,04,034	48	6,23,220

Casuals (462) excluded from employees other than BOD & KMP

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	7.36%	7.32%

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, we have a Committee responsible for addressing complaints related to human rights within our organization. By upholding human rights principles and cultivating a culture of accountability, transparency, and respect for human dignity, we strive 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 2024-25			FY 2023-24		
	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 2024-25	FY 2023-24
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 grievance redressal framework that prohibits retaliation, ensures confidentiality, and promotes fair resolution of complaints. Through the Human Rights Policy, Whistle Blower Policy, and Grievance Redressal Policy, individuals are protected from oppression when reporting discrimination and harassment cases. Complaints can be submitted via multiple secure channels and a dedicated Grievance Committee monitors cases to ensure ethical, legal, and regulatory compliance.

9. **Do human rights requirements form part of your business agreements and contracts?**

Yes, Human rights requirements, including provisions on child labour, forced labour, and minimum wages, have been integrated into the company's business contracts and agreements, ensuring compliance with ethical and legal standards, wherever required.

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.**

Our company remains committed to the implementation of its human rights policies, proactively spread awareness among employees to uphold ethical workplace standards. This ongoing engagement has ensured compliance, eliminating the need for corrective measures.

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 dedicated Human Rights policy and complies fully with applicable industrial laws and regulations. We are committed to promoting a respectful workplace culture, 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 facilitate seamless mobility for individuals with disabilities. Additionally, wheelchair-accessible restrooms are available, ensuring inclusivity and convenience.

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	NATCO is strengthening its ethical oversight of value chain partners, ensuring compliance with labor standards. This includes preventing harassment, discrimination, child labor, and forced labor while promoting fair wages and safe working conditions. Transparent audits, due diligence, and grievance redressal systems enhance accountability, promoting a responsible and sustainable business ecosystem built on integrity.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Natco Pharma is establishing systems and protocols to evaluate its value chain partners' adherence to ethical workforce practices. The focus includes preventing workplace harassment, eliminating discrimination, eradicating child and forced labour, and ensuring equitable remuneration for all employee.

6 PRINCIPLE

Businesses should respect and make efforts to protect and restore the environment

At NATCO Pharma, we recognize that environmental responsibility, occupational health, and safety are fundamental to the long-term sustainability of our operations. We are dedicated to protecting natural ecosystems by actively minimizing our ecological footprint. Aware of the challenges posed by climate change, we are implementing strategic initiatives aimed at reducing environmental impact through enhanced energy efficiency, adoption of renewable resources, waste minimization, plastic recovery programs such as EPR, optimized water management, zero liquid discharge systems, and biodiversity conservation across all manufacturing units.

Our Environmental, Health, and Safety Division actively oversees the company's ecological impact, ensuring continuous assessment and compliance. We uphold globally recognized benchmarks, including ISO 14001 for environmental management, ISO 45001 for occupational health and safety, and workplace risk prevention, reinforcing our commitment to sustainable and responsible operations.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	72210.72	73016.12
Total fuel consumption (B)	8061.61	6066.06
Energy Consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**80272.33**	**79082.18**

Parameter	FY 2024-25	FY 2023-24
From non-renewable sources		
Total electricity consumption (D)	216051.26	209984.66
Total fuel consumption (E)	321934.46	245363.43
Energy Consumption through other sources (F)	-	-
Total energy consumed from non- renewable sources (D+E+F)	**537985.72**	**455348.09**
Total energy consumed (A+B+C+D+E+F)	**618258.05**	**534430.28**
Energy intensity per rupee of turnover** (Total energy consumed / Revenue from operations), GJ/ ₹ Mn	15.099	14.975
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total energy consumed / Revenue from operations adjusted for PPP)*, GJ/ turnover adjusted to PPP	311.96	335.432
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 2025 by IMF for India which is 20.66.

https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

**Energy intensity for FY 2024–25 has been calculated based on Natco Pharma's total turnover, and is expressed in terms of energy consumed per million rupees of turnover.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No independent assessment, evaluation, or assurance is conducted during the reporting year. However, in alignment with BRSR regulations, we plan to undertake such evaluations in the future.

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 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	53910.73	67732
(ii) Groundwater	44544.59	45287
(iii) Third party water	230172.89	233657
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**328628.21**	**346676**
Total volume of water consumption (in kilolitres)	**299375.89**	**325985**
Water intensity per rupee of turnover** (Total water consumption / Revenue from operations), kl/ ₹ Mn	7.311	9.134
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption / Revenue from operations adjusted for PPP)* kl/turnover adjusted to PPP	151.045	204.603

Parameter	FY 2024-25	FY 2023-24
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 2025 by IMF for India which is 20.66.

https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

**Water consumption intensity for FY 2024–25 has been calculated based on Natco Pharma's total turnover, and is expressed in terms of water consumed per million rupees of turnover.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No independent assessment, evaluation, or assurance is conducted during the reporting year. However, in line with BRSR requirements, we are committed to undertaking such evaluations in the future.

4. **Provide the following details related to water discharged:**

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	3579 KL*	8097 KL – sent to public sewer
(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
- With treatment – please specify level of treatment	17378 kl - after Primary Treatment 925 kl – after Secondary Treatment	12120 KL – after Primary Treatment, 474 KL – sent to CETP after primary and secondary treatment
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**21882**	**20691**

*Note: Water Consumed at HO + NRC-Domestic effluent are Considered as discharge to public sewers (2023-24: 8097KL & 2024-25: 1765KL from HO & 1814KL from NRC Domestic effluent)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No. During the reporting year, no independent assessment, evaluation, or assurance is carried out. However, in accordance with BRSR guidelines, we intend to initiate such evaluations in the future.

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 full environmental compliance. The ZLD approach is aimed for effective onsite treatment and reuse resulting into reduction of fresh water footprint. Also achieving zero discharge from the premises.

The plants with ZLD systems are located in Mekaguda (Telangana), Kothur (Telangana), Chennai (Tamil Nadu), and Attivaram Technical (Andhra Pradesh), with treated water 53562 kl, 62315 kl, 10829 kl and 841 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 2024-25	FY 2023-24
NOx	tonnes	44.21	26.58
SOx	tonnes	45.55	33.25
Particulate matter (PM)	tonnes	26.52	9.32
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	ppm	0.02	0.01
Hazardous air pollutants (HAP)	-	-	-
Carbon Monoxide	tonnes	0.3	0.04
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No independent assessment, evaluation, or assurance is carried out during the reporting year. However, in line with BRSR requirements, we will conduct such assessments in the future.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2024-25		FY 2023-24	
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	28494.95		28403.25	
		tCO_2:	23395.11	**tCO_2:**	20898.10
		CH_4 – tCO_2e:	130.78	**CH4 – tCO_2e:**	43.56
		N_2O – tCO_2e:	65.48	**N_2O – tCO_2e:**	74.02
		HFCs – tCO_2e:	4903.61	**HFCs – tCO_2e:**	7387.57
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	43630.35		41763.62	
		tCO_2:	43630.35	**tCO_2:**	41763.62
		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	1.762		1.966	
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)*	Metric tonnes of CO_2 Equivalent/ Million	36.403		44.04	

Parameter	Unit	FY 2024-25	FY 2023-24
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 2025 by IMF for India which is 20.66.

https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

**Emission intensity for FY 2024–25 has been calculated based on Natco Pharma's total turnover, and is expressed in terms of emission per million rupees of turnover.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No Independent assessment, evaluation, or assurance is not undertaken during the reporting year. However, in alignment with BRSR guidelines, we are committed to initiating these processes in the future.

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 organization undertook a comprehensive set of sustainability related projects to enhance energy efficiency and reduce environmental impact. Building on its existing solar and wind energy infrastructure, it expanded renewable energy generation through the commissioning of ground-mounted and rooftop solar systems. Cooling and refrigeration systems were optimized through refrigerant replacement, equipment upgrades, and centralized chilled water distribution. Energy savings were further achieved through process optimization, targeted retrofits and system improvements across heating, and de-watering operations. The transition from diesel to pipeline natural gas in boiler operations supported cleaner fuel usage, contributing to lower carbon intensity and improved operational sustainability. Through these process optimization and strategic equipment upgrades, the organization achieved an estimated energy savings of approximately 1,054,066 kWh during FY 24-25.

During the FY 24-25, our company successfully integrated 25.05% renewable electricity into its total electricity consumption, which contributed significantly to lowering our environmental impact, leading to the avoidance of 14582.55 tons of CO_2 emissions.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	16.352	42.8
E-waste (B)	5.629	6.52
Bio-medical waste (C)	19.591	21.35
Construction and demolition waste (D)	0	5
Battery waste (E)	10.369	520 Nos
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	4635.149	4623.3
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	351.698	241.67
Total (A+B + C + D + E + F + G + H)	**5038.794**	**4940.6 + 520 Nos**
Waste intensity per rupee of turnover** (Total waste generated / Revenue from operations), MT/ ₹ Mn	0.12	0.14
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated / Revenue from operations adjusted for PPP)* MT/turnover adjusted to PPP	2.541	3.10

Parameter	FY 2024-25	FY 2023-24
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	3072.461	4,489.54
(ii) Re-used	0	273.22
(iii) Other recovery operations (Waste to energy Recovery)	1621.266	0
Total	**4693.727**	**4,762.76**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	126.996	50.19
(ii) Landfilling	158.02	228.61
(iii) Other disposal operations (TSDF)	279.097	0
Total	**285.016**	**278.80**

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 by IMF for India which is 20.66.

https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

**Waste generation intensity for FY 2024–25 has been calculated based on Natco Pharma's total turnover, and is expressed in terms of waste generation per million rupees of turnover.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No. During the reporting year, independent assessment, evaluation, or assurance was not conducted. 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.

Key Initiatives:

- ETP-treated water has been utilized for boiler feed instead of soft water, eliminating the need for softener plant operation and resin regeneration salts. As a result, ATFD salt generation has been reduced by 34% in FY 24-25 compared to the previous year, enhancing water conservation and sustainability.
- NATCO pharma replaced 150,000 paper tea cups with reusable stainless-steel ones and reduced excess tissue use and canteen paper, saving approximately 1,812 tissue reels.

- Several digital transformation initiatives have been implemented, including the digitization of chromatograms and laboratory records through Electronic Laboratory Notebooks (ELNB), and the adoption of systems such as Temperature Monitoring System (TMS), Document Management System (DMS), TRACKWISE, and e-signature tools. Additional measures like default duplex printing, digital payslips, electronic access to SOPs, and SAP-based approval workflows have also been introduced. These efforts have led to a 50% reduction in HPLC-related paper usage and an overall reduction of 793,500 A4 sheets.

10. 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			

11. 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.					

12. 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 kilolitres):

For each facility/plant located in areas of water stress, below are the following information:

I. Name of the area: Thiruvottiyur (Chennai); Ameerpet (Hyderabad)

II. Nature of operations: Natco Pharma Limited – Chemical Division; Natco Research Centre, Hyderabad

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	2783.25	924
(iii) Third party water	19923	21742
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	**22706.25**	**22666**
Total volume of water consumption (in kilolitres)	**22526.25**	**20689**
Water intensity per rupee of turnover* (Water consumed / turnover)	0.55	0.58
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	-
- With treatment – please specify level of treatment	0	1797 KL – sent to public sewer
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	-	0
- With treatment – please specify level of treatment	180KL- 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 kilolitres)	**180**	**1977**

*Water consumption intensity for FY 2024–25 has been calculated based on Natco Pharma's total turnover, and is expressed in terms of water consumed per million rupees of turnover.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No independent assessment/evaluation/assurance has been carried out in the reporting year.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
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?

No independent assessment/evaluation/assurance has been carried out in the reporting year.

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 Plant (Energy Conservation)	A ground-mounted solar system installed that generates approximately 751 kW of renewable energy.	Total renewable energy produced in the FY 24-25 is 9,91,650 kWh.
2	Chennai Plant (Energy Efficiency)	A PLC-based Thyristor Control Panel was installed for the Hot Oil Generator.	This upgrade led to annual energy savings of 97,200 kWh and a reduction of 70.66 tCO_2e emission.
		Motion sensors were installed on the air curtain system.	This measure led to annual savings of 1,18,800 kWh and reducing emissions by 86.37 tCO_2e.
		A high-efficiency Sludge De-watering Machine was installed.	This initiative enables annual energy savings of 5,800 kWh and a reduction of 4.22 tCO_2e emissions.
		Traditional FRP cooling tower fans were replaced with E-Glass Epoxy FRP models.	The initiative results in annual energy savings of 40,992 kWh and lowered emissions by 29.80 tCO_2e.
		Five 1000-liter cabinet were replaced with a single 7,000-liter walk-in cabinet.	This leads to the annual energy saving of 46,224 kWh and reduced 33.60 tCO2e emissions.
		Sodium vapor lamps have been replaced with LED lamps in the warehouse.	This initiative saved approx. 31,452 kWh energy and which accounts for 22.87 tCO2e emissions.
3	Chennai Plant (Waste Reduction)	ETP water is recycled and used as boiler feed, eliminating softener plant use and salt for resin regeneration.	This transition has led to a 34% reduction in ATFD salt generation and annual water savings of 1,825 kl.
4	Chennai Plant (Water Conservation)	A rainwater harvesting station was added with an 850 m^2 catchment area and a 20 kl storage capacity.	The installation has increased the use of rainwater.
5	Vizag (Energy Efficiency & Emission Control)	The AHU AC blower was upgraded to an EC fan.	These initiatives reduced the annual energy consumption by 9125 kWh and emission by 6.63 tCO2e.
		The chilled water set point has been optimized to align with ambient conditions.	These initiatives led to an annual reduction of 3,39,450 kWh in energy consumption and 330 tCO_2e emissions.
		The boiler has been transitioned from diesel to PNG.	The initiative reduced an annual emission of 240 tCO_2e.
6	Vizag (Water Conservation)	Collecting and reusing ozone-treated water instead draining.	Approx. 5 kl per day water saving was observed.
		A surface rainwater harvesting system was implemented to strengthen water conservation.	1200 kl of rainwater was successfully collected.
7	Vizag (Paper Consumption)	Temperature Management System (TMS), Document Management System (DMS), and TRACKWISE software were implemented alongside the shift to digital records.	An annual reduction of 28,000 paper sheets including a 50% cut in HPLC-related usage has helped preserve three trees per year.
8	Attivaram (Energy Conservation)	Installed 0.4 MW solar system.	Total renewable energy generated in the FY 24-25 is 4,24,748 kWh.
9	Dehradun (Energy Efficiency)	Interconnection of supply and return chilled water pipelines of two chillers located in Kedar & Badri Block.	The initiative has reduced energy consumption by 15 to 35%.

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
10	Dehradun (Water conservation)	Utilization of RO/EDI reject water in general & wash areas.	This initiative results in net fresh water saving of 5 kl/day.
11	Mekaguda (Waste Management)	Composting of 45.76 tons garden waste & canteen waste.	Successfully converted the garden waste into 20 tons of compost.
12	Nagarjuna Sagar (Emission Reduction)	Chiller pump optimization by reducing the chiller pump frequency.	This initiative resulted in reduction of approx. 3, 01,490 kWh in energy consumption and 273.57 tCO_2e emissions during FY 24–25.
13	NRC (Energy Efficiency)	Hot water geyser usage in restrooms was optimized.	1200. This initiative saved approximately 61,200 kWh energy per year and reduce emission by 44.5 tCO_2e.
		12 out of 40 streetlights were replaced with solar-powered alternatives.	This initiative saved approximately 2333 kWh energy per year and reduce emissions by 1.70 tCO_2e.
14	NRC (Water-use Efficiency)	A dishwasher was procured for glassware in ARD HPLC, and water flow meters are being installed in process labs.	The initiatives reduced 144 litres of water consumption per day.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

At NATCO, our Business Continuity and Disaster Management Plan is an integral part of our overall Risk Management Framework, aimed at ensuring resilience across all business units and functions during unexpected disruptions. In line with our Risk Management Policy, which identifies environmental risks as a key area of concern, this plan outlines comprehensive strategies for mitigating and managing risks that could impact business continuity. The plan outlines the company's emergency preparedness, including control protocols, and response procedures. It also addresses critical elements such as environmental assessments, evacuation strategies, shutdown methods, and emergency coordination charts.

To enable swift and organized action, specific duties are assigned, with designated gathering points, medical facilities, safety documentation (MSDS), and contact information for external and mutual aid support. Additionally, all personnel including contract workers receive training to enhance readiness in crisis situations.

This layered and systematic approach demonstrates NATCO'sdedication to maintaining stability, environmental stewardship, and resilience across all levels of operation, in alignment with its overarching risk governance structure.

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.**

We have established a predefined checklist for our value chain partners during their onboarding, which outlines the relevance and integration of our environmental sustainability standards within procurement practices. In addition, we are actively developing a formal evaluation system to measure and monitor the environmental performance and impact of our value chain partners, aiming to enhance accountability and drive continuous improvement across the supply chain

7 PRINCIPLE

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Our approach as a responsible business is grounded in our core values of integrity, patient-centricity, and compliance with all applicable laws and regulations. We strive to ensure that our interactions with regulatory bodies are constructive, evidence-based, and aligned with national healthcare priorities

Essential Indicators

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 nine 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
No adverse orders were passed from regulatory authorities.		

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
No					

8 PRINCIPLE

Businesses should promote inclusive growth and equitable development.

At Natco Pharma Limited, inclusive growth and equitable development are integral to our business philosophy. We are committed to ensuring that the benefits of our operations extend beyond economic gains to encompass positive social and environmental outcomes. Our approach focuses on improving the quality of life for underserved and vulnerable communities through targeted interventions in education, skill development, and healthcare.

Through our Corporate Social Responsibility (CSR) initiatives, we support various programs aimed at improving access to healthcare services, promoting women and child welfare, and facilitating quality education in rural and semi-urban areas. We also work with local communities to create employment opportunities and encourage participation in value-chain activities, thereby supporting economic self-reliance.

We remain committed to aligning our development programs with national priorities and Sustainable Development Goals (SDGs), ensuring that our growth is both inclusive and sustainable. Our efforts are guided by transparency, stakeholder engagement, and long-term community impact, reaffirming our role as a responsible corporate citizen.

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 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	16%	15%
Directly from within India	71%	74.9%*

Note: This data pertains to procurement in India

*Data updated/reconsidered from last year's BRSR report.

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 2024-25	FY 2023-24
Rural	33.14%	18.45%
Semi-Urban	27.91%	46.88%
Urban	0%	0
Metropolitan	38.95%	34.67%

(Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan).

*Data updated/reconsidered from last year's BRSR report.

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:**

S. No.	State	Aspirational district	Amount spent (In ₹)
1	Telangana	Bhadradri Kothagudem	31,95,038

List of designated aspirational districts - https://www.niti.gov.in/sites/default/files/2023-07/List-of-112-Aspirational-Districts%20%281%29.pdf

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups?**

No,

We maintain a non-discriminatory approach in our supplier selection process and provide equal opportunities for all potential suppliers to engage with us, and actively seek opportunities to procure from local suppliers and small-scale industries/MSMEs near our facilities. While we have not explicitly included marginalized/vulnerable groups in our supplier qualifying criteria, we remain committed to fair and inclusive business practices.

(b) **From which marginalized/vulnerable groups do you procure?**

At present, NATCOPharma Limited has not explicitly included marginalized or vulnerable groups in our supplier qualifying criteria. However, we are committed to adopting inclusive and fair business practices.

While our procurement process is non-discriminatory and based on objective criteria such as quality, delivery timelines, cost, and supplier capabilities, we actively seek opportunities to engage with local suppliers, MSMEs, and small-scale industries located near our operations. Going forward, our CSR initiatives in the areas of education, health, hygiene, women's welfare, and child welfare are aimed at supporting underprivileged and marginalized communities.

(c) **What percentage of total procurement (by value) does it constitute?**

We are in the process of identifying and track procurement from suppliers consisting of marginalized and vulnerable groups.

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	Early Childhood Education (ECE)Anganwadi Centres (AWC)	713	47.99%
2	Bala Vikasa Kendra (BVK)	24	95.82%
3	Post School Tuitions for Govt School Children (Grade 1 to 5)	632	50.46%
4	Additional Full Time Teaching Volunteer- Govt Primary Schools	309	30.4%
5	Additional Full Time Teaching Volunteer- Govt Primary Schools Paropakarini Balika School	66	40%

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
6	Government Primary School Prabhat Nagar, Telangana- Educational Interventions & Maintenance	615	-
7	Additional Teaching Volunteers for NATCO Govt High School, Borabanda,Hyderabad, Telangana- Educational and Infrastructural Interventions & Maintenance	1455	60.77%
8	NATCO Zilla Parishadh High School,Kothur, Rangareddy District,Telangana- Infrastructure Intervention:Construction of New School Building & Maintenance	567	-
9	Additional Teaching Volunteer for Paropakarini Balika High Schools, Telangana	43	25.64%
10	Coaching for Gurukul Entrance Examinations for Govt School Children,Telengana	88	52.27%
11	Coaching for Navodaya Entrance Examinations for Govt School Children,Andhra Pradesh	24	79.16%
12	Hippocampus School, Rangapur,Rangareddy District, Telangana	1258	65.61%
13	NATCO School of Learning, Gollamudipadu,Guntur District, Andhra Pradesh	462	27.48%
14	Education Project - Telangana (Bhadradri Kothagudem & Medchal Malkajgiri)in Collaboration with Central Square Foundation (CSF)	69700	-
15	NATCO Mobile Health Clinics- Sanjeevini	7439	-
16	Medicine support to patients in MNJ and GGH	4920	-
17	Counsellors Support to Government Hospitals in Hyderabad (Gandhi Hospital, Osmania Hospital, Niloufer Hospital & MNJ Cancer Hospital)-Footfall	349255	-
18	NATCO Eye Center in collaboration with LVPEI-Kothur Telangana	28287	-
19	NATCO Eye Center in collaboration with LVPEI-Guntur - Munipalli Andhra Pradesh	1689	-
20	NATCO Cancer Center, Guntur Government General Hospital (Footfall)	13354	-
21	Oncology Medicines support to NATCO Cancer Centre MNJ Cancer Hospital (Hyderabad)	7369	-
22	Oncology Medicines support to NATCO Cancer Centre, Guntur Government General Hospital	1381	-
23	Veterinary Interventions	98	-
24	Specialized Health Camps - Cancer Screening Camps in collaboration with MNJ Cancer Hospital and Basavatarakam Cancer	389	-
25	Specialized Health Camps - Orthopedic camp In collaboration with Sravejana Foundation at Nagarjuna Sagar location	278	-
26	Specialized Health Camps - Eye screening Camps in collaboration with LVPEI-Nagarjuna Sagar	311	-
27	Specialized Health Camps - Founder's day at Gollamudipadu-Free Health Screening Camps Dental,Eye,Orthopaedic	431	-
28	Distribution of Nutrition kits to Treatment TB Patients Wanaparthy & Nagarkurnool Districts	1203	-
29	Construction of new Toilet blocks along with upgradation of existing toilets at MJPTBCWREIS (Mahatma Jyothiba Phule Telengana Backward classes Welfare Residential Educational Institutions Society) Nagarjuna Sagar	1600	-

9

PRINCIPLE

Businesses should engage with and provide value to their consumers in a responsible manner.

At Natco Pharma Limited, we place the highest importance on the well-being, safety, and trust of our consumers. As a healthcare company, we recognize our critical responsibility to ensure that our products are safe, effective, accessible, and affordable. Our engagement with consumers is guided by ethical practices, scientific rigor, regulatory compliance, and a commitment to quality.

We maintain stringent quality control and pharmacovigilance systems to monitor product safety and efficacy throughout their lifecycle. Transparent labeling, responsible marketing, and adherence to all applicable regulatory standards are integral to our approach. We also ensure that consumers have access to accurate product information and channels to raise concerns or provide feedback.

Our initiatives aim to meet customer expectations for life-threatening and chronic diseases, thereby improving access to essential treatments. We are continuously innovating to address unmet medical needs and provide long-term value to our customers in India and globally. NATCO remains committed to responsible consumer engagement through continuous improvement, transparency, and integrity in all aspects of its operations.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Natco Pharma Limited has established a structured and responsive grievance redressal mechanism to handle consumer complaints and feedback with a primary focus on product quality and patient safety. Consumers, healthcare professionals, and other stakeholders can lodge queries through multiple channels, including email rarely postal correspondence. Queries can be submitted via our dedicated email ID: grievanceredressal@natcopharma.co.in or addressed by post to Natco House, Hyderabad.

Upon receipt, the Marketing Department logs the complaint and collects the relevant information and the support document from the complainant before logging the complaint. Subsequently, they route it through the Quality Assurance for further investigation. Since pharma companies do not market the product directly to the patients, direct surveys are avoided at best. Whereas such feedbacks are regularly taken from the Doctors through PSUR. This is a regulatory approved practice. following established Standard Operating Procedures (SOPs). Depending on the nature of the issue, departments such as Regulatory Affairs and Product Development may also be involved. Natco also operates a robust Pharmacovigilance system in alignment with national and international regulations to monitor and address adverse drug reactions and safety-related concerns.

Once investigations are complete, responses and resolution updates are shared with the complainant, and appropriate corrective and preventive actions (CAPA) are taken to mitigate recurrence. This process ensures continuous improvement in product quality and enhances consumer trust.

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 complies with all applicable national and international regulatory requirements concerning product labelling information. 100% of the Company's pharmaceutical products include information related to safe and responsible usage, such as dosage guidelines, precautions, and contraindications, as required by relevant drug regulatory authorities. This ensures patient safety and proper use of our products.

3. Number of consumer complaints in respect of the following:

	FY 2024-25			FY 2023-24		
	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 a defined Data Privacy and Cyber Security Policy that outlines our approach to safeguarding sensitive data and mitigating cyber risks. The framework covers governance, access control, risk prevention, and compliance with legal and regulatory requirements. Oversight is maintained by senior leadership and the IT Security Team, ensuring policy implementation and periodic review. Confidential data—including HR records, business information, and contractual documents—is protected through strict access controls, with permissions granted only to authorized personnel. Data Loss Prevention (DLP) tools and cybersecurity protocols are implemented to prevent internal or external breaches. All users of the Company's IT assets are bound by guidelines to avoid unauthorized data sharing or misuse. Incident response mechanisms are in place for timely detection, investigation, and resolution of potential cyber threats or data breaches. Employees and vendors receive regular training on cybersecurity awareness and their responsibilities under the policy. Violations or suspected breaches must be reported to the Grievance Redressal Officer or relevant department heads. The policy is reviewed annually to ensure continued alignment with evolving regulatory standards and emerging cyber risks.

Policy web-link- https://www.natcopharma.co.in/wp-content/uploads/2024/08/Data-policy-_28082024103653.pdf

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 required corrective action.

   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-** Zero data breaches

      Natco Pharma Limited has established a comprehensive framework to prevent data breaches and protect sensitive information. This includes a robust Data Privacy and Cybersecurity Policy that outlines the responsibilities of all employees, contractors, and partners in safeguarding data confidentiality and integrity.

      On the technical front, we employ multiple layers of security controls such as firewalls, antivirus software, intrusion detection and prevention systems, and regular vulnerability assessments to detect and mitigate potential threats. Access to sensitive data is restricted to authorized personnel only, based on the principle of least privilege.

   b. **Percentage of data breaches involving personally identifiable information of customers –** Zero

      During the reporting period, as there were no instances of data breaches reported. Natco Pharma Limited's stringent data protection policies and technical safeguards have effectively prevented any unauthorized access or disclosure of personally identifiable information of customers. Our proactive approach to cybersecurity ensures that sensitive customer data remains secure and confidential at all times.

   c. **Impact, if any, of the data breaches**

      As no data breaches occurred during the reporting period, there have been no adverse impacts on the privacy or security of customer information. Our ongoing commitment to maintaining robust cybersecurity measures and regular system audits helps us minimize risks and ensures that customer trust and data integrity are upheld consistently.

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed.**

   Natco Pharma Limited provides access to information on its products through multiple platforms to ensure transparency and easy accessibility for stakeholders, healthcare professionals, and consumers.

   (i) Official Website: Comprehensive details regarding our business operations—including finished dosage formulations, active pharmaceutical ingredients (APIs), and crop health sciences—can be accessed through our corporate website at: https://www.natcopharma.co.in/our-business/

   (ii) Investor Relations & Annual Reports: Product pipelines, performance, and operational highlights are regularly published in our annual reports and investor presentations available at: 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.**

The Company is collaborating with partners and customers to develop innovative approaches to educate consumers about safe and responsible usage of our products and services, with a focus on enhancing communication efforts

i) We ensure that product labels and packaging include clear instructions, warnings, and dosage information to help consumers use the product safely and effectively.

ii) We provide Patient Information leaflets (PILs) with products, which outline the benefits, risks, and proper use of the medication.

iii) Our website provides accurate, up-to-date information on products, including dosage instructions, side effects, and interactions.

iv) We have established customer support services that provide consumers with access to product information, and support for safe and responsible usage.

The weblinks for patient information leaflets (PILs) for some of the products are given below:

https://www.natcopharma.co.in/wp-content/uploads/2024/04/Zoldonat-Literature-NG_Natco-V3.pdf

https://www.natcopharma.co.in/wp-content/uploads/2024/04/Xpreza-Liter-KO_Natco.pdf

https://www.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.**

During FY24-25, no essential services were disrupted. Natco Pharma has adequate procedures/policies in place to tackle any such risks, and proper communication channels are established to inform customers about the same.

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 Limited complies with all local regulatory labeling requirements and, where relevant, provides product information beyond statutory mandates—such as storage instructions, dosage-related precautions, and patient safety advisories—to ensure informed and safe usage, especially for critical therapies like oncology.

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 2025, 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 2025, and its profit and other comprehensive loss, 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 Matter(s)

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

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 have a variety of different 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 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. The Company also enters into product supply agreements which also requires revenue to be recognised on profit sharing basis in certain cases. The nature of these arrangements are inherently complex. Considering the complexity involved, recognition of revenue from such contracts has also been considered as 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 and appropriate audit evidence: 1. Assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. 2. Tested design, implementation and operating effectiveness of the Company's key controls over measurement, timing and recognition of revenue in accordance with customer contracts. 3. Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end), by verifying the underlying documents, which included sales invoices, contracts and shipping documents, as applicable.

The key audit matter	How the matter was addressed in our audit
The Company routinely enters into development and commercialisation arrangements relating to research and development of new products in the pharmaceutical sector including collaboration with other pharmaceutical companies leading to recognition of revenue from sale of services. Considering the complexity involved, recognition of revenue from such contracts has also been considered as a key audit matter.	4. We have verified the terms of the agreement, invoices, confirmations and payments received by the Company for revenues recognised during the year in relation to product supply agreements. 5. Analysed the terms of development and commercialisation arrangements to determine that revenue is recognised for the rights transferred under the contract having regard to the performance obligations under the contract. 6. Tested manual journals posted to revenue to identify unusual transactions.

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 operates in a complex tax jurisdiction in India with various tax exemptions available. The Company has paid minimum alternate tax (MAT) under Section 115JB of the Income-tax Act, 1961. The MAT paid would be available as offset over a period of 15 years. The MAT credit is recognised as a deferred tax asset that will be available for offset when the Company pays regular taxes under the provisions of Income-tax Act, 1961. In assessing whether the deferred tax assets will be realised, the Company considers whether some portion or all of the deferred tax assets will not be realised. The ultimate realisation of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The extent of recognition of deferred tax asset on account of MAT credit requires significant judgment regarding the Company's future taxable income which will result in utilisation of the MAT credit within the time limits available under the applicable Income-tax laws and accordingly the same has been considered as 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: 1. Tested the design, implementation and operating effectiveness of the Company's key controls over recognition of deferred tax asset relating to MAT credit. 2. Challenged the key business assumptions like profit margins in the foreseeable future years against historical data and trends, to assess their reasonableness. 3. 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. 4. 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.

Impairment of Property, plant and equipment of Agro chemicals segment (identified as cash generating unit ('CGU')

See Note 5 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has significant property, plant and equipment with respect to Agro Chemical Segment ('CGU'). Owing to the continuous losses in the CGU, there is a risk of impairment that the carrying amount of the aforesaid assets are lower than its recoverable value.	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: 1. Tested the design, implementation and operating effectiveness of the Company's key controls over impairment analysis of CGU.

The key audit matter	How the matter was addressed in our audit
The identification of impairment event and the determination of impairment charge requires application of significant judgement by the Company. The value in use is determined based on a discounted cash flow model. It involves making certain assumptions, in particular, with respect to the timing and amount of future cash flows of the asset and using estimates like long term growth rate and applicable discounting rates, due to the inherent uncertainty and judgment in forecasting and discounting future cash flows. Accordingly, impairment assessment of property, plant and equipment in the CGU is identified as a key audit matter.	2. Tested budgeting procedures upon which the cash flow forecasts were based. We also compared the actual past performances with the budgeted figures. 3. Involved valuation specialists to assist us in evaluating the key assumptions and methodology used by the Company, in particular those relating to the forecast of the revenue growth, profit margins, terminal growth rate and discount rate. The valuation specialists also compared the assumptions to externally derived data in relation to key inputs such as projected economic growth, competition, cost of inflation and discount rates. 4. Assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions. 5. 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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 2025 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, 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. 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:25218685BMMKDJ6981

Place: Hyderabad
Date: 28 May 2025

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of NATCO Pharma Limited for the year ended 31 March 2025

(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 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 companies, 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 (₹ in million)
Aggregate amount during the year	
Subsidiaries*	-
Others	70
Balance outstanding as at balance sheet date	
Subsidiaries*	5
Others	73

*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 2025 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 (₹ in million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Taxes	25 (6)*	AY 2017-18	Commissioner of Income tax (Appeals)
The Income Tax Act, 1961	Income Taxes	82	AY 2017-18	High Court of Telangana
The Income Tax Act, 1961	Income Taxes	68 (14)*	AY 2018-19	Commissioner of Income tax (Appeals)
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	97	AY 2020-21	Assessing Officer
The Income Tax Act, 1961	Income Taxes	44	AY 2022- 23	Dispute Resolution panel, Bengaluru
The Goods & Services Tax Act, 2017	Goods & Services tax	1	Year 2017-18 & 2018-19	Assistant Commissioner of Central Tax, Hyderabad
The Goods & Services Tax Act, 2017	Goods & Services tax	0**	Year 2017-18	Excise & Taxation Officer, U.T., Chandigarh
The Goods & Services Tax Act, 2017	Goods & Services tax	1	Year 2017-18	The Assistant Commissioner (State Tax) Chennai, Tamil Nadu
The Goods & Services Tax Act, 2017	Goods & Services tax	0**	Year 2017-18	State Tax officer, Ernakulam, Kerala
The Goods & Services Tax Act, 2017	Goods & Services tax	0**	Year 2017-18	State Tax officer, Guwahati, Assam
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, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(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 per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). 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:25218685BMMKDJ6981

Place: Hyderabad
Date: 28 May 2025

Annexure B to the Independent Auditor's Report on the standalone financial statements of NATCO Pharma Limited for the year ended 31 March 2025

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 2025 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 2025, 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:25218685BMMKDJ6981

Place: Hyderabad
Date: 28 May 2025

Standalone Balance Sheet

as at 31-03-2025

(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	Note	As at 31-03-2025	As at 31-03-2024
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	5	24,096	22,732
(b) Capital work-in-progress	40	2,253	1,339
(c) Other intangible assets	6	1,072	135
(d) Investments in subsidiaries	7	4,904	4,819
(e) Financial assets			
(i) Investments	8	747	959
(ii) Loans	9	5	5
(iii) Other financial assets	10	1,815	434
(f) Deferred tax assets, net	30	410	71
(g) Non-current tax assets, net		27	248
(h) Other non-current assets	11	490	694
Total non-current assets		**35,819**	**31,436**
(2) Current assets			
(a) Inventories	12	6,421	5,969
(b) Financial assets			
(i) Investments	8	2,900	1,639
(ii) Trade receivables	13	11,782	10,766
(iii) Cash and cash equivalents	14	112	55
(iv) Bank balances other than (iii) above	14	18,457	8,594
(v) Loans	9	94	90
(vi) Other financial assets	10	4,130	4,420
(c) Other current assets	11	2,984	2,571
Total current assets		**46,880**	**34,104**
Total assets		**82,699**	**65,540**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	358	358
(b) Other equity	16	72,981	55,565
Total equity		**73,339**	**55,923**
(2) Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	12	12
(ii) Other financial liabilities	19	46	40
(b) Provisions	20	656	709
Total non-current liabilities		**714**	**761**
(B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	2,731	3,632
(ii) Lease liabilities	18	3	17
(iii) Trade payables	22		
- Total outstanding dues of micro enterprises and small enterprises; and		176	41
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,075	1,792
(iv) Other financial liabilities	19	1,119	991
(b) Other current liabilities	21	985	1,039
(c) Provisions	20	779	1,029
(d) Current tax liabilities (net)		778	315
Total current liabilities		**8,646**	**8,856**
Total liabilities		**9,360**	**9,617**
Total equity and liabilities		**82,699**	**65,540**
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

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

S V V N Appa Rao
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2025

Place: Hyderabad
Date: 28 May 2025

Standalone Statement of Profit and Loss

for the year ended 31-03-2025

(All amounts in ₹ millions, except share data and where otherwise stated)

	Note	For the year ended 31-03-2025	For the year ended 31-03-2024
1. Income			
(a) Revenue from operations	23	40,945	35,689
(b) Other income	24	3,213	1,047
Total income		**44,158**	**36,736**
2. Expenses			
(a) Cost of materials consumed	25	5,362	5,225
(b) Purchases of stock-in-trade		455	348
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	116	172
(d) Employee benefits expense	27	5,153	4,549
(e) Finance costs	28	196	145
(f) Depreciation, amortisation and impairment expenses	5 and 6	2,200	1,719
(g) Other expenses	29	8,416	9,025
Total expenses		**21,898**	**21,183**
3. Profit before tax (1-2)		**22,260**	**15,553**
4. Tax expense:	30		
(a) Current tax		4,075	2,848
(b) Deferred tax		(319)	(361)
Total tax expenses		**3,756**	**2,487**
5. Profit for the year (3-4)		**18,504**	**13,066**
6. Other comprehensive income (OCI)			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit liability/(asset)		(78)	(20)
Tax on remeasurement of defined benefit liability/(asset)		27	7
(ii) Fair value changes in Equity investments through OCI		44	97
Tax impact of Fair value changes in Equity investments through OCI		(6)	(8)
Other comprehensive (loss)/ income for the year, net of tax		(13)	76
7. Total comprehensive income for the year (5+6)		**18,491**	**13,142**
8. Earnings per equity share (Face value of ₹ 2 each)	31		
Basic (in ₹)		103.31	72.79
Diluted (in ₹)		103.31	72.79
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: 28 May 2025

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: 28 May 2025

S V V N Appa Rao
Chief Financial Officer

Standalone Statement of Cash Flows

for the year ended 31-03-2025

(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
Cash flows from operating activities		
Profit before tax for the year	22,260	15,553
Adjustments for:		
Depreciation, amortisation and impairment expenses	2,200	1,719
Finance costs	196	145
Interest income	(1,701)	(853)
Provision or (reversal) of credit loss allowance on trade receivables and other financial assets, net	(22)	227
Bad debts written off	11	51
Capital work-in-progress written off	30	-
Liabilities written back	(5)	(3)
Net (gain)/ Loss on sale of property, plant and equipment	(870)	17
(Profit)/ loss on sale of investments	(14)	9
Guarantee income	-	(2)
Dividend income on equity investment at fair value through other comprehensive income	(21)	(3)
Provision for diminution in value of investment	-	210
Unrealised foreign exchange loss/(gain), net	(8)	(8)
Operating profit before working capital changes	**22,056**	**17,062**
Changes in working capital:		
(Increase)/ decrease in inventories	(452)	191
Increase in trade receivables	(1,032)	(2,921)
(Increase)/ decrease in other financial assets	(3)	7
Increase in other assets	(389)	(603)
Increase in trade payables	427	11
(Decrease)/ increase in provisions	(381)	696
(Decrease)/ increase in other financial liabilities	(106)	191
Decrease in other liabilities	(54)	(150)
Cash generated from operating activities	20,066	14,484
Income taxes paid, net of refund	(3,446)	(2,520)
Net cash generated from operating activities (A)	**16,620**	**11,964**
Cash flows from investing activities		
Purchase of property, plant and equipment (Refer note b below)	(4,037)	(3,342)
Proceeds from sale of property, plant and equipment	950	20
Acquisition of intangible assets	(1,043)	(24)
Investments in subsidiaries	(85)	(726)
Repayment of loans by others	(4)	12
Proceeds from sale of investments	1,566	1,334
Advance for purchase of unquoted shares	(30)	-
Purchase of investments	(2,517)	(1,493)
Deposits with banks	(18,704)	(9,081)
Redemption of bank deposits	8,825	4,538
Interest received	1,248	480
Dividend received	21	3
Redemption of deposits other than with banks	3,848	2,772
Deposits other than with banks	(4,477)	(4,098)
Net cash used in investing activities (B)	**(14,439)**	**(9,605)**
Cash flows from financing activities		
Payment on buy-back of shares, including transaction costs and taxes on buy-back	-	(2,537)
Net (repayment of)/ proceeds from short-term borrowings (refer note c below)	(892)	2,029
Dividends paid	(1,078)	(1,708)
Finance cost paid	(137)	(141)
Principal and interest payment of lease liabilities (refer note c below)	(17)	(16)
Net cash used in financing activities (C)	**(2,124)**	**(2,373)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	57	(14)
Cash and cash equivalents as at the beginning of the year	55	69
Cash and cash equivalents as at the end of the year	**112**	**55**

Standalone Statement of Cash Flows

for the year ended 31-03-2025

(All amounts in ₹ millions, except share data and where otherwise stated)

Components of cash and cash equivalents

Particulars	As at 31-03-2025	As at 31-03-2024
Cash and cash equivalents:		
Cash on hand	2	3
Balance with Banks:		
- Current accounts	110	52
	112	**55**

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 31-03-2025	As at 31-03-2024
Short-term borrowings:		
Opening balance	3,632	1,599
Net proceeds/ (repayment of) from short-term borrowings	(892)	2,029
Non-cash items (Foreign exchange changes)	(9)	4
Closing balance	**2,731**	**3,632**
Lease liabilities:		
Opening balance	29	12
Non cash changes	3	33
Cash flow changes	(17)	(16)
Closing balance	**15**	**29**

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

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

S V V N Appa Rao
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2025

Place: Hyderabad
Date: 28 May 2025

Standalone Statement of Changes in Equity

for the year ended 31-03-2025

(All amounts in ₹ millions, except share data and where otherwise stated)

A. Equity Share Capital

	Number of Shares	Amount
As at 01-04-2023	**18,24,70,115**	**365**
Changes in Equity share capital due to prior period errors	-	-
Restated balance as at 01-04-2023	18,24,70,115	365
Changes in Equity share capital during the year	(33,60,245)	(7)
As at 31-03-2024	**17,91,09,870**	**358**
Changes in equity share capital due to prior period errors	-	-
Restated balance as at 01-04-2024	17,91,09,870	358
Changes in Equity share capital during the year	-	-
As at 31-03-2025	**17,91,09,870**	**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 01-04-2023	**14,065**	**516**	**11**	**595**	**31,346**	**122**	**46,655**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the year	**14,065**	**516**	**11**	**595**	**31,346**	**122**	**46,655**
Profit for the year	-	-	-	-	13,066	-	13,066
Remeasurement of defined benefit plan, net of tax	-	-	-	-	(13)	-	(13)
Fair value changes in Equity instruments through OCI, net of tax	-	-	-	-	-	89	89
Buy back of equity shares	(2,046)	-	7	-	(7)	-	(2,046)
Tax on buy back of equity shares	-	-	-	-	(478)	-	(478)
Expenses on buy back of equity shares	-	-	-	-	(6)		(6)
Profit on sale of investments	-	-	-	-	57	(57)	-
Transaction with owners - Dividends paid (refer note 15(ix))	-	-	-	-	(1,702)	-	(1,702)
As at 31-03-2024	**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**

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: 28 May 2025

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

S V V N Appa Rao
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2025

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 2025 were authorised and approved for issue by the Company's Board of Directors on 28 May 2025.

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.

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.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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 (unobservable inputs).

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

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

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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.

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

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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, 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.

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

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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 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

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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 and loss.

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.

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

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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 initial recognition.

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.

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

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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.

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.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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 financial asset.

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.

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

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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.

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.

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(All amounts in ₹ millions, except share data and where otherwise stated)

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 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.

Notes to standalone Financial Statements

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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 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

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(All amounts in ₹ millions, except share data and where otherwise stated)

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 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

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. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 –Leases, relating to sale and lease back transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant 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

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(All amounts in ₹ millions, except share data and where otherwise stated)

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 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 01-04-2023	**2,855**	**10,495**	**16,253**	**46**	**455**	**245**	**400**	**430**	**31,179**
Additions	865	549	755	4	40	49	48	29	2,339
Disposals	(28)	(60)	(135)	(2)	(21)	(21)	(6)	(29)	(302)
Balance as at 31-03-2024	**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**
B. Accumulated depreciation									
As at 01-04-2023	**-**	**1,762**	**6,549**	**39**	**199**	**149**	**270**	**29**	**8,997**
Depreciation for the year	-	343	1,195	4	39	25	48	20	1,674
Disposals	-	(43)	(107)	(0)	(13)	(13)	(6)	(5)	(187)
Balance as at 31-03-2024	**-**	**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**
C. Impairment losses									
As at 01-04-2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment Loss for the year	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment Loss for the year (refer note (vi))	-	302	198	-	-	-	-	-	500
Balance as at 31-03-2025	**-**	**302**	**198**	**-**	**-**	**-**	**-**	**-**	**500**
D. Net carrying amounts (A-B-C)									
As at 31-03-2024	**3,692**	**8,922**	**9,236**	**6**	**249**	**112**	**130**	**386**	**22,732**
As at 31-03-2025	**5,265**	**8,610**	**9,283**	**6**	**263**	**155**	**148**	**366**	**24,096**

(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 ₹ 498 (31-03-2024: ₹ 313).

(vi) As required by Ind AS 36, an assessment of impairment of assets has been carried out and based on such assessment and necessary disclosures are given below:

The Company has 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 has performed an assessment of possible impairment in the Property, plant and equipment of the Agro Chemicals segment.

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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 has performed impairment assessment of identified CGU and the impairment loss identified is as below:

	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%.

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 01-04-2023	**-**	**392**	**392**
Acquisition/additions	-	26	26
Disposals	-	(39)	(39)
As at 31-03-2024	**-**	**379**	**379**
Acquisition/additions	1,022	21	1,043
Disposals	-	(0)	(0)
As at 31-03-2025	**1,022**	**400**	**1,422**
B. Accumulated amortisation			
As at 01-04-2023	**-**	**236**	**236**
Amortisation for the year	-	45	45
Disposals	-	(37)	(37)
As at 31-03-2024	**-**	**244**	**244**
Amortisation for the year	65	41	106
Disposals	-	(0)	(0)
As at 31-03-2025	**65**	**285**	**350**
C. Net carrying amounts (A-B)			
As at 31-03-2024	**-**	**135**	**135**
As at 31-03-2025	**957**	**115**	**1,072**

(i) The Company has not revalued any intangible assets after initial recognition, during the current year and previous year.

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7. Investments in subsidiaries

	As at 31-03-2025	As at 31-03-2024
Non-current		
Interest in subsidiaries		
At cost less provision for other than temporary impairment		
Unquoted		
33,565 (31-03-2024: 33,565) common shares of US$1,000 each, in Natco Pharma Inc.	2,570	2,570
2,473,009 (31-03-2024: 2,473,009) equity shares of US$10 each, in Time Cap Overseas Limited	1,706	1,706
2,810,881 (31-03-2024: 2,810,881) equity shares of Canadian Dollar 1 each, in NATCO Pharma (Canada) Inc.	232	232
2,095,000 (31-03-2024: 2,095,000) equity shares of Singapore Dollar 1 each, in NATCO Pharma Asia Pte. Ltd.	102	102
3,908,572 (31-03-2024: 3,908,572) equity shares of Australian Dollar 1 each, in NATCO Pharma Australia PTY Ltd.	210	210
485,358 (31-03-2024: 456,108) equity shares of 100 PHP each, in NATCO Lifesciences Philippines Inc.	68	63
1,228,810 (31-03-2024: 1,228,810) equity shares of £ 1 each, in NATCO Pharma UK Limited	126	126
146,500 (31-03-2024: Nil) equity shares of 100,000 IDR each, in PT.NATCO Lotus Farma	76	-
218,960 (31-03-2024: Nil) equity shares of 1,000 COP each, in NATCO Pharma Colombia S.A.S.	4	-
Deemed investment in NatcoFarma do Brasil Ltda.	20	20
Less: Provision for diminution in value of investments	(210)	(210)
	4,904	**4,819**
Aggregate book value of unquoted investments	4,904	4,819
Aggregate amount of provision for impairment in the value of investments	210	210

8. Investments

	As at 31-03-2025	As at 31-03-2024
I. Non-current		
a) Investment in equity instruments (fully paid-up)		
Unquoted		
At fair value through other comprehensive income		
139,451 (31-03-2024: 139,451) equity shares of ₹10 each, in OMRV Hospitals Pvt Ltd	106	106
21,769 (31-03-2024: 21,769) equity shares of ₹10 each, in Veda Seedsciences Pvt Ltd	99	99
8,000 (31-03-2024: 8,000) equity shares of ₹ 10 each, in Cipher Oncology Pvt Ltd	14	14
4,054 (31-03-2024: 4,054) equity shares of $1 each, in NATIVITA JLLC	0	0
30 (31-03-2024: 30) equity shares of € 0.5 per share of Pharnasanta B.V	0	0
750 (31-03-2024: 750) equity shares of ₹100 each, in Jeedimetla Effluent Treatment Ltd	0	0

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(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
34,400 (31-03-2024: 34,400) equity shares of ₹10 each, in Pattancheru Enviro-Tech Ltd	0	0
10 (31-03-2024: 10) equity shares of ₹10 each, in Redcliffe Hygiene Pvt Ltd	0	0
10 (31-03-2024: 10) equity shares of ₹10 each, in Cellogen Therapeutics Pvt Ltd	1	1
299 (31-03-2024: 299) equity shares of ₹1 each, in Simplify Wellness India Pvt Ltd	10	10
27,000 (31-03-2024: 27,000) equity shares of ₹10 each, in Jayalakshmi Spinning Mills Ltd	0	0
150,000 (31-03-2024: 150,000) equity shares of ₹1 each, in Lanco Infratech Ltd	0	0
10,000 (31-03-2024: Nil) equity shares of ₹1 each, in National Stock Exchange of India Ltd	8	-
Less: Provision for diminution in value of investments	(0)	(0)
	238	**230**
b) Other investments		
Unquoted		
At fair value through other comprehensive income		
4,619 (31-03-2024: 4,302) units of ₹10,000 each, in Endiya Trust	108	103
Nil (31-03-2024: 65,979) shares of seed -2 preferred stock in ISCA Inc.	-	38
500,000 (31-03-2024: 500,000) 0.05% compulsorily convertible preference shares (CCPS) of ₹100 each, in OMRV Hospitals Pvt Ltd	50	50
5,726 (31-03-2024: 5,726) 0.0001% compulsorily convertible preference shares (CCPS) of ₹10 each, in Eyestem Research Pvt. Ltd	75	75
16,953,299 (31-03-2024: 16,953,299) 0.001% Compulsorily convertible preference shares (CCPS) of $1 each, in Eywa Pharma Pte Ltd	62	249
8,116 (31-03-2024: 8,116) 0.001% Compulsorily convertible preference shares (CCPS) of ₹ 10 each, in Redcliffe Hygiene Pvt Ltd	130	130
556 (31-03-2024: 556) 0.1% compulsorily convertible preference shares (CCPS) of ₹10 each, in Cellogen Therapeutics Pvt Ltd	74	74
1 (31-03-2024: 1) Convertible note (CN) of ₹10,000,000 each, in Cipher Oncology Pvt Ltd	10	10
	509	**729**
Unquoted		
At amortised cost		
National savings certificates	0	0
Total non-current investments	**747**	**959**
Aggregate book value of unquoted investments	747	959
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		
3,000 (31-03-2024: 6,000) equity shares of ₹10 each, in Neuland Laboratories Ltd	36	38
5,500 (31-03-2024: 5,500) equity shares of ₹1 each, in Sun Pharmaceuticals Industries Ltd	10	9
530 (31-03-2024: 530) equity shares of ₹2 each, in Alkem Laboratories Ltd	3	3

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

		As at 31-03-2025	As at 31-03-2024
	12,400 (31-03-2024: 12,400) equity shares of ₹1 each, in Zydus Lifesciences Ltd	11	12
	250,000 (31-03-2024: 320,000) equity shares of ₹2 each, in Laurus Labs Ltd	152	125
	22,700 (31-03-2024: 22,700) equity shares of ₹1 each, in GMR Airports Limited	2	2
	15,000 (31-03-2024: 15,000) equity shares of ₹1 each, in Panacea Biotec Ltd	7	2
	2,100 (31-03-2024: 2,100) equity shares of ₹1 each, in ICICI Prudential Life Insurance Company Ltd	1	1
	4,000 (31-03-2024: 4,000) equity shares of ₹1 each, in JB Chemicals and Pharmaceuticals Ltd	6	7
	30,000 (31-03-2024: 50,000) equity shares of ₹10 each, in Medplus Health Services Ltd	23	34
	2,270 (31-03-2024: 2,270) equity shares of ₹5 each, in GMR Power & Urban Infra Ltd	0	0
	18,300 (31-03-2024: 18,300) equity shares of ₹1 each, in Ravinder Height Ltd	1	1
	65,344 (31-03-2024: 32,200) equity shares of ₹1 each, in FDC Ltd	26	-
	2,000 (31-03-2024: Nil) equity shares of ₹1 each, in Eris Life Sceinces Ltd	3	-
	7,300 (31-03-2024: Nil) equity shares of ₹10 each, in Indusind Bank Ltd	5	-
	15000 (31-03-2024: Nil) ₹1000/- each,ICICI Prudential BSE Liquid Rate ETF	15	-
	126 (31-03-2024: 70) equity treasury shares of ZAR 10 cents each, in Nasper Ltd,South Africa	3	1
	1,74,397 (31-03-2024: 1,74,397) equity treasury shares of ZAR 10 cents each, in Adcock Ingram Holdings Ltd,South Africa	39	42
		343	**277**
b)	**Investment in Bonds, Debentures and Commercial Papers (fully paid-up)**		
	Quoted		
	At amortised cost		
	100 (31-03-2024: 100) 7.73% Series III Perpetual Bonds of ₹ 1,000,000 each, issued by State Bank of India	106	106
	Nil (31-03-2023: 140) 5.7% non-convertible debentures (NCD) of ₹10,00,000 each, HDB Financial Services Ltd	-	141
	Nil (31-03-2024: 200) 6.42% non-convertible debentures (NCD) of ₹10,00,000 each, Bharti Telecom Ltd	-	230
	Nil (31-03-2024: 2,500) 8.80% Perpetual Bonds of ₹1,00,000/- each, through issuer Piramal Capital & Housing Finance Ltd	-	267
	Nil (31-03-2024: 130) 11.60% ((Unsecured) non-convertible debentures (NCD) of ₹10,00,000 each, Hinduja Leyland Finance Ltd	-	147
	1500 (31-03-2024: Nil) 8.60% NCD of ₹1,00,000/- each, through issuer Muthoot Finance Ltd	158	-
	2500 (31-03-2024: Nil) 9.65% NCD of ₹1,00,000/- each, through issuer Shriram Finance Ltd	274	-
	7500 (31-03-2024: Nil) 9.25% NCD of ₹1,00,000/- each, through issuer Shriram Finance Ltd	772	-
	250 (31-03-2024: Nil) 8.80% Series X Perpetual Bonds of ₹ 1,000,000 each, issued by Bharathi Telecom Limited	259	-
		1,569	**891**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
Unquoted		
At amortised cost		
Nil (31 March 2024: 1,000) 8.25% Commercial Paper (CP) of ₹500,000/- each, through issuer ICICI Securities Limited	-	471
2,000 (31-03-2024: Nil) 8.6% Commercial Paper (CP) of ₹500,000/- each, through issuer Piramal Enterprises Limited	988	-
	988	**471**
Total current investments	**2,900**	**1,639**
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	988	471
Aggregate book value of quoted investments	1,912	1,168
Aggregate market value of quoted investments	1,912	1,168
Aggregate amount of impairment in the value of investments	-	-

9. Loans

	As at 31-03-2025	As at 31-03-2024
(Unsecured, considered good)		
Non-current		
Loan to subsidiary (Refer note 36)*	5	5
Total non-current loans	**5**	**5**
Current		
Loans to employees	94	80
Loans to others	-	10
Total current loans	**94**	**90**

Information about the Company’s exposure to credit risk is included in Note 33.

* During the previous year, the Board of directors of the Company had approved the conversion of the loan given to wholly owned subsidiary into equity shares. The Company is in process of getting relevant approvals from the regulatory authorities as at 31-03-2025.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

10. Other financial assets

	As at 31-03-2025	As at 31-03-2024
(Unsecured, considered good)		
Non-current		
Security deposits	179	171
Bank deposits due to mature after 12 months from the reporting date	16	-
Deposits other than with banks	1,550	250
Advance for purchase of unquoted shares	30	-
Interest on deposits, accrued but not due	40	13
	1,815	**434**
Current		
Deposits other than with banks	3,177	3,848
Interest on loans and deposits, accrued but not due	953	567
Interest on loan to subsidiary, accrued but not due (Refer note 36)	0	0
Other receivables	-	5
	4,130	**4,420**

Information about the Company's exposure to credit risk is included in Note 33.

11. Other assets

	As at 31-03-2025	As at 31-03-2024
Non-current		
Capital advances		
Unsecured, considered good	488	690
Unsecured, considered doubtful	19	19
	507	**709**
Less: Allowance for doubtful advances	(19)	(19)
	488	**690**
Advances other than capital advances		
(Unsecured, considered good)		
Prepaid expenses	1	3
Balance with statutory authorities	1	1
	2	**4**
	490	**694**
Current		
Advances other than capital advances		
Advance to material suppliers/ service providers		
Unsecured, considered good	618	798
Unsecured, considered doubtful	171	193
	789	**991**
Less: Allowance for doubtful advances	(171)	(193)
	618	**798**
(Unsecured, considered good)		
Prepaid expenses	264	263
Export incentives	17	26
Balance with statutory authorities	2,085	1,484
	2,984	**2,571**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

12. Inventories

	As at 31-03-2025	As at 31-03-2024
(Valued at lower of cost or net realisable value)		
Raw materials [including goods-in-transit of ₹ 151 (31-03-2024: ₹ 71)]	2,337	2,041
Work-in-progress	1,253	1,023
Finished goods [including goods-in-transit of ₹13 (31-03-2024: ₹209)]	1,149	1,556
Stock-in-trade	200	139
Stores and spares [including goods-in-transit of ₹ 13 (31-03-2024: ₹ 5)]	974	780
Packing materials [including goods-in-transit of ₹ 2 (31-03-2024: ₹ 8)]	508	430
	6,421	**5,969**

The write-down of inventories during the year amounted to ₹ 661 (31-03-2024: ₹ 434). 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.

13. Trade receivables

	As at 31-03-2025	As at 31-03-2024
Current		
Unsecured trade receivables	11,979	10,963
Less: Provision for impairment	197	197
	11,782	**10,766**

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**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Ageing of trade receivables as at 31-03-2024

Outstanding for following periods from due date of payment	Undisputed	
	Considered good	Credit impaired
Unbilled	7,156	0
Not due	2,801	47
Less than 6 months	809	52
6 months to 1 year	0	45
1-2 years	0	09
2- 3 years	0	18
More than 3 years	0	26
Total	**10,766**	**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 31-03-2025 and 31-03-2024.

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 31-03-2025 and as at 31-03-2024.

Information about the Company's exposure to credit risks and market risks and impairment losses for trade receivables is included in Note 33.

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.

Outstanding for following periods from due date of payment	Undisputed	
	Considered good	Credit impaired
Carrying amount of trade receivables transferred to a bank	1,579	1,021
Carrying amount of associated liabilities	(1,579)	(1,021)

14. Cash and bank balances

	As at 31-03-2025	As at 31-03-2024
Cash and cash equivalents		
Cash on hand	2	3
Balances with banks:		
- On current accounts	110	52
	112	**55**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
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*	18,429	8,563
Unpaid dividend accounts	28	31
	18,457	**8,594**

*Bank deposits given as margin money and lien marked against bank guarantees/ performance guarantees issued by banks amounting to ₹ 41 (31-03-2024 : ₹ 21).

15. Equity share capital

i. Authorised share capital

	As at 31-03-2025		As at 31-03-2024	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹2 each	200,000,000	400	200,000,000	400

ii. Issued, subscribed and fully paid up

	As at 31-03-2025		As at 31-03-2024	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹2 each	17,91,09,870	358	17,91,09,870	358
	17,91,09,870	**358**	**17,91,09,870**	**358**

iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	As at 31-03-2025		As at 31-03-2024	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares				
Shares outstanding at the beginning of the year	17,91,09,870	358	18,24,70,115	365
Add: Shares issued during the year	-	-	-	-
Less: Bought back and extinguished during the previous year (Refer note below)	-	-	(33,60,245)	(7)
Shares outstanding at the end of the year	**17,91,09,870**	**358**	**17,91,09,870**	**358**

Note:

The Board of Directors at its meeting held on 08 March 2023 had approved the buy-back of fully paid up equity shares of face value of ₹ 2 each from the eligible equity shareholders of the Company other than the Promoters, the Promoter group and Persons who are in control of the Company, at a price not exceeding ₹ 700 per equity share (Maximum Buyback Price), payable in cash for an aggregate amount not exceeding ₹ 2,100 (Maximum Buy-back Size, excluding transaction costs and taxes thereon), from the Open Market route through the stock exchange mechanism under the Companies Act, 2013 and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ('Buyback Regulations').

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The Buy-back commenced on 21 March 2023 and was concluded on 12 May 2023. In this regard, the Company bought back 3,447,295 equity shares, at an average price of ₹ 609.1712 per equity share resulting in total cash consideration of ₹ 2,100 (excluding ₹ 511 towards transaction cost and tax on Buy-back). These equity shares were extinguished as per the records of the depositories. Balance expense towards transaction cost and the tax on buy-back amounting to ₹ 511 was debited directly to the retained earnings. Further, capital redemption reserve of ₹ 7 representing the nominal value of shares bought back, was created in accordance with Section 69 of the Companies Act, 2013.

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

	As at 31-03-2025		As at 31-03-2024	
	Number of Shares	% holding	Number of Shares	% holding
V C Nannapaneni	2,80,45,905	15.66%	2,80,45,905	15.66%
Time Cap Pharma Labs Private Limited	1,71,75,420	9.59%	1,71,75,420	9.59%
V S Swathi Kantamani	1,59,33,340	8.90%	1,59,83,340	8.92%
Natsoft Information Systems Private Limited	1,57,84,900	8.81%	1,57,84,900	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 31-03-2025			As at 31-03-2024		
	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	2,80,45,905	15.66%	-	2,80,45,905	15.66%	0.06%
Kantamani Ratna Kumar	50,000	0.03%	-50.00%	1,00,000	0.06%	-
Durga Devi Nannapaneni	35,39,100	1.98%	-	35,39,100	1.98%	-
Rajeev Nannapaneni	10,78,000	0.60%	-4.43%	11,28,000	0.63%	-
Ramakrishna Rao Nannapaneni	-	0.00%	-100.00%	7,46,910	0.42%	-
Neelima Sita Nannapaneni	1,82,960	0.10%	-	1,82,960	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	4,13,205	0.23%	-	4,13,205	0.23%	-12.68%
Vidyadhari Tummala	3,67,200	0.21%	-16.96%	4,42,200	0.25%	-
T Anila	5,64,920	0.32%	-5.83%	5,99,920	0.33%	-4.76%
V S Swathi Kantamani	1,59,33,340	8.90%	-0.31%	1,59,83,340	8.92%	-
Natsoft Information Systems Pvt Ltd	1,57,84,900	8.81%	-	1,57,84,900	8.81%	-
Time Cap Pharma Labs Private Limited	1,71,75,420	9.59%	-	1,71,75,420	9.59%	-

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Name of the promoter	As at 31-03-2025			As at 31-03-2024		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Natco Aqua Limited	16,000	0.01%	-	16,000	0.01%	-
NDL Infratech Private Limited	93,750	0.05%	-	93,750	0.05%	-0.32%
Neelima Nannapaneni Trust	40,82,750	2.28%	-	40,82,750	2.28%	-
Durga Devi Nannapaneni Family Pvt Trust	6,00,000	0.33%	-	6,00,000	0.33%	-
Satya Vani Nannapaneni	4,20,000	0.23%	100.00%	-	-	-
Sanjay Nannapaneni	3,26,910	0.18%	100.00%	-	-	-
VCN Family Private Trust	1,700	0.00%	-	1,700	0.00%	-
SAU Family Trust	1,700	0.00%	-	1,700	0.00%	-
	8,87,70,275	**49.56%**		**8,90,30,275**	**49.70%**	

vii. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

	2024-25	2023-24	2022-23	2021-22	2020-21
Equity shares bought-back	-	33,60,245	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	2024-25			2023-24		
	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	12-08-2024	3.00	537	09-08-2023	7.00	1,254
Second interim dividend	12-11-2024	1.50	269	14-11-2023	1.25	224
Third interim dividend	12-02-2025	1.50	269	14-02-2024	1.25	224
Total			**1,075**			**1,702**

16. Other equity

A Reserves and surplus

	As at 31-03-2025	As at 31-03-2024
Securities premium reserve		
Balance at the beginning of the year	12,019	14,065
Add: Share options exercised	-	-
Less: Buy-back of equity shares during the year	-	(2,046)
Balance at the end of the year	**12,019**	**12,019**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
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	11
Add: Transferred during the year	-	7
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	42,263	31,346
Add: Profit for the year	18,504	13,066
Add: Remeasurement of defined benefit obligation, net of tax	(51)	(13)
Less: Expenses on buyback of equity shares	-	(6)
Less: Interim dividends	(1,075)	(1,702)
Less: Tax on buy-back of equity shares	-	(478)
Less: Transferred to Capital redemption reserve	-	(7)
Add: Transfer from FVOCI - equity investments - Realised profit on FVOCI	81	57
Balance at the end of the year	**59,722**	**42,263**
Total reserves and surplus	**72,870**	**55,411**

B Other items of OCI

	As at 31-03-2025	As at 31-03-2024
FVOCI - Equity instruments		
Opening balance	154	122
Less: Transferred to retained earnings - Realised profit on FVOCI	(81)	(57)
Add: Changes in fair value	44	97
Tax impact on the above adjustments	(6)	(8)
Closing balance	111	154
Total other equity	**72,981**	**55,565**

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.

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.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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. The expense towards transaction cost and the tax on buy-back amounting to ₹ Nil (31-03-2024: ₹ 484) has been debited directly to the retained earnings.

17. Borrowings

	As at 31-03-2025	As at 31-03-2024
Current		
Loan repayable on demand from banks:		
Working capital loans (secured)	1,818	1,672
Working capital loans (unsecured)	913	1,960
	2,731	**3,632**

Notes:

(i) 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."

(ii) Working capital loans (unsecured) represents overdraft facility and bills discounted with various banks.

(iii) The rate of interest applicable was in the range of 4.155% to 9.30% p.a (31-03-2024: 3.84% to 8.90% p.a) for secured and unsecured working capital loan.

(iv) Information about the Company's exposure to interest rate, 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)

(v) Quarterly statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account.

(vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(vii) The Company has not availed any specific borrowing during the year.

(viii) There were no delay/default in repayment of dues or delays in payment of interest to banks.

18. Lease liabilities

	As at 31-03-2025	As at 31-03-2024
Non-current		
Lease liabilities (Refer note 41)	12	12
	12	**12**
Current		
Lease liabilities (Refer note 41)	3	17
	3	**17**

19. Other financial liabilities

	As at 31-03-2025	As at 31-03-2024
Non-current		
Deposits from customers	46	40
	46	**40**
Current		
Book overdraft	-	149
Capital creditors (refer note 22 for disclosure related to MSME)	571	328
Unpaid dividend	28	31
Payroll related liabilities	520	483
	1,119	**991**

Information about the Company's exposure to foreign currency and liquidity risks is included in Note 33.

20. Provisions

	As at 31-03-2025	As at 31-03-2024
Non-current		
Provision for employee benefits:		
Provision for gratuity (refer note (a))	181	266
Provision for compensated absences (refer note (b))	454	418
Provision for defined benefit retirement plan (refer note (c))	21	25
	656	**709**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
Current		
Provision for employee benefits:		
Provision for gratuity (refer note (a))	161	67
Provision for compensated absences (refer note (b))	103	62
Provision for defined benefit retirement plan (refer note (c))	0	0
Other provisions		
Provision for sales returns (refer note (d))	168	362
Provision for litigations (refer note (e))	347	538
	779	**1,029**

(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 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 2025 (31 March 2024: 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:

(i) Reconciliation of the present value of defined benefit obligation

	As at 31-03-2025	As at 31-03-2024
Opening balance	850	733
Current service cost	87	75
Interest cost	61	55
Benefits paid	(42)	(47)

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
Remeasurement or Actuarial gain/ (loss) arising from:		
Experience adjustment	34	6
Change in demographic assumptions	(38)	-
Change in financial assumptions	113	28
Closing balance	**1,065**	**850**

(ii) Reconciliations of present value of plan assets

	As at 31-03-2025	As at 31-03-2024
Opening balance	517	213
Interest income	37	16
Employer contribution	201	321
Benefits paid	(42)	(47)
Return on plan assets, excluding interest income	10	14
Closing balance	**723**	**517**

(iii) Reconciliation of net defined benefit obligation

	As at 31-03-2025	As at 31-03-2024
Present value of funded obligation	1,065	850
Fair value of plan assets	(723)	(517)
Amount recognised in the balance sheet	**342**	**333**

(iv) Expense recognised in the statement of profit and loss under employee benefits expense:

	For the year ended 31-03-2025	For the year ended 31-03-2024
Current service cost	87	75
Interest cost	61	55
Interest income	(37)	(16)
Net cost	**111**	**114**

(v) Remeasurements recognised in the statement of other comprehensive income

	For the year ended 31-03-2025	For the year ended 31-03-2024
Experience adjustment on funded obligation	109	34
Return on plan assets, excluding interest income	(10)	(14)
Net gratuity costs in other comprehensive income	**99**	**20**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(vi) Plan assets comprises of the following:

	As at 31-03-2025	As at 31-03-2024
Group gratuity fund managed by LIC	723	517

(vii) Summary of actuarial assumptions:

	As at 31-03-2025	As at 31-03-2024
Discount rate	6.65%	7.20%
Salary escalation rate	7.50%	7.00%
Attrition rate		
Upto 30 Years	18.00%	3.00%
31-44 Years	12.00%	2.00%
Above 44 Years	6.00%	1.00%
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.

(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 31-03-2025	As at 31-03-2024
A. Defined benefit obligation without effect of projected salary growth	1,065	850
Changes in defined benefit obligation due to:		
B. Salary escalation rate		
Salary rate +100 basis points	62	86
Salary rate -100 basis points	(59)	(79)

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
C. Discount rate		
Discount rate +100 basis points	(69)	(88)
Discount rate -100 basis points	79	103
D. Attrition rate		
Attrition rate +100 basis points	(2)	2
Attrition rate -100 basis points	3	(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 ₹ 433 (31-03-2024: ₹ 417).

(x) Maturity profile of defined benefit obligation (valued on undiscounted basis):

	As at 31-03-2025	As at 31-03-2024
Within 1 year	161	67
2 to 5 years	442	188
6 to 10 years	459	311
More than 10 years	793	1,706

(xi) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (Previous year: 11 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 31-03-2025 is ₹ 557 (31-03-2024: ₹ 480). Expense recognised in the standalone statement of profit and loss under employee benefit expense is ₹ 157 (31-03-2024: ₹ 107).

(c) Provision for defined benefit retirement plan

(i) Reconciliation of the present value of defined benefit retirement plan

	As at 31-03-2025	As at 31-03-2024
Opening balance	28	-
Past service cost	-	26
Current service cost	13	2
Interest cost	2	-
Remeasurement or Actuarial gain/ (loss) arising from:		

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
Experience adjustment	(11)	-
Change in demographic assumptions	(12)	-
Change in financial assumptions	1	-
Closing balance	**21**	**28**

(ii) Expense recognised in the statement of profit and loss under employee benefits expense:

	As at 31-03-2025	As at 31-03-2024
Current service cost	13	2
Past service cost	-	26
Interest cost	2	-
Net cost	**15**	**28**

(iii) Remeasurements recognised in the statement of other comprehensive income

	As at 31-03-2025	As at 31-03-2024
Experience adjustment on funded obligation	(22)	-
Net costs in other comprehensive income	**(22)**	**-**

(iv) Summary of actuarial assumptions:

	As at 31-03-2025	As at 31-03-2024
Discount rate	6.80%	7.20%
Attrition rate		
Upto 30 Years	18.00%	3.00%
31-44 Years	12.00%	2.00%
Above 44 Years	6.00%	1.00%"
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.

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)

(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 31-03-2025	As at 31-03-2024
A. Defined benefit obligation without effect of projected salary growth	21	28
Changes in defined benefit obligation due to:		
B. Discount rate		
Discount rate +100 basis points	(1)	(2)
Discount rate -100 basis points	1	2
C. Attrition rate		
Attrition rate +100 basis points	(2)	(3)
Attrition rate -100 basis points	2	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 senitivity anslysis from the previous year.

(vi) Maturity profile of defined benefit obligation (valued on undiscounted basis):

	As at 31-03-2025	As at 31-03-2024
Within 1 year	0	0
2 to 5 years	9	6
6 to 10 years	16	22
More than 10 years	9	25

(vii) The weighted average duration of the defined retirement benefit plan obligation at the end of the reporting period is 7 years (Previous year: 7 years).

(d) Provision for sales returns

	As at 31-03-2025	As at 31-03-2024
Opening balance	362	62
Created during the year	168	300
Utilised during the year	(362)	-
Closing balance	**168**	**362**

Provision for sales returns represents the provision for the expected sales returns based on the Company's internal assessment.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(e) Provision for litigations

	As at 31-03-2025	As at 31-03-2024
Opening balance	538	-
Created during the year (included in rates and taxes, refer note 29)	50	840
Utilised during the year	(241)	(302)
Closing balance	**347**	**538**

Provision for litigations represents provision towards potential liability against various ongoing litigations based on the Company's internal assessment.

21. Other liabilities

	As at 31-03-2025	As at 31-03-2024
Current		
Statutory liabilities	137	184
Contract liabilities against payment	828	835
Others	20	20
	985	**1,039**

22. Trade payables

	As at 31-03-2025	As at 31-03-2024
Current		
Total outstanding dues of micro enterprises and small enterprises ('MSME') [Refer note below]	176	41
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,075	1,792
	2,251	**1,833**

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**	**-**	**-**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Outstanding for following periods from due date of payment	MSME	Others	Disputed dues -MSME	Disputed dues - Others
Unbilled	-	470	-	-
Not due	41	850	-	-
Less than 1 year	-	363	-	-
1-2 years	-	27	-	-
2-3 years	-	36	-	-
More than 3 years	-	46	-	-
Total	**41**	**1,792**	**-**	**-**

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 31-03-2025	As at 31-03-2024
(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 ₹ 80 (31-03-2024 : ₹ 45) shown under capital creditors)	256	86
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.	-	-

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.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

23. Revenue from operations

	For the year ended 31-03-2025	For the year ended 31-03-2024
Revenue from contracts with customers:		
Sale of products*	40,485	31,947
Sale of services	270	3,533
Job work income	11	9
Total (a)	**40,766**	**35,489**
Other operating revenues		
Export incentives	85	103
Government incentive schemes	64	71
Scrap sales	30	26
Total (b)	**179**	**200**
Total revenue from operations (a+b)	**40,945**	**35,689**
*includes profit sharing income arising from marketing arrangements for sale of products.		
Disaggregation of revenue from contracts with customers		
Revenue based on Geography:		
India	5,490	5,676
USA	30,600	26,695
Rest of the world	4,676	3,118
	40,766	**35,489**
Revenue based on segment/product lines		
Pharmaceuticals	40,160	34,406
Agro chemicals	606	1,083
	40,766	**35,489**
Timing of revenue recognition		
Goods transferred at a point in time	40,485	31,947
Services transferred at a point in time	99	2,107
Services transferred over time	182	1,435
	40,766	**35,489**
Reconciliation of revenue from contracts with customers with contract price:		
Revenue as per contracted price	42,171	37,379
Adjusted for:		
Sales returns	(1,152)	(1,553)
Trade discounts and rebates	(253)	(337)
Total Revenue from contracts with customers	**40,766**	**35,489**
Contract balances		
The following table provides information about trade receivables and contract liabilities from contract with customers:		
Trade receivables (including unbilled revenue amounting to ₹ 8,338 (31-03-2024: ₹7,156) (Refer note 13)	11,782	10,766
Contract liabilities (Refer note 21)	828	835

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 31-03-2025 is ₹ 828 (31-03-2024: ₹ 835) 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 31-03-2025	For the year ended 31-03-2024
Dividend income on Equity instruments at FVOCI- investment held at reporting date	21	3
Gain on Sale of investments	14	-
Renewable Energy (Wind Power) income	24	32
Interest income on financial assets carried at amortised cost	1,701	853
Net gain on sale of property, plant and equipment	870	-
Foreign exchange gain (net)	179	94
Financial guarantee income	-	2
Insurance claim received	163	43
Miscellaneous income	241	20
	3,213	**1,047**

25. Cost of materials consumed

	For the year ended 31-03-2025	For the year ended 31-03-2024
Raw materials consumed	4,879	4,738
Packing materials consumed	483	487
	5,362	**5,225**

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended 31-03-2025	For the year ended 31-03-2024
Opening stock:		
- Finished goods	1,556	1,519
- Work-in-progress	1,023	1,293
- Stock-in-trade	139	78
	2,718	**2,890**
Closing stock:		
- Finished goods	1,149	1,556
- Work-in-progress	1,253	1,023
- Stock-in-trade	200	139
	2,602	**2,718**
	116	**172**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

27. Employee benefits expense

	For the year ended 31-03-2025	For the year ended 31-03-2024
Salaries, wages and bonus	4,605	4,057
Contribution to provident fund and other funds (Refer note (a) below)	318	274
Gratuity expense (Refer note 20 (a))	111	114
Staff welfare expenses	119	104
	5,153	**4,549**

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 ₹ 318 (31-03-2024: ₹ 274).

(b) Refer note 20 for details of provision for employee benefits.

28. Finance costs

	For the year ended 31-03-2025	For the year ended 31-03-2024
Interest expense on working capital loans measured at amortised cost	105	103
Interest on Income tax	56	-
Other borrowing costs	32	38
Interest expenses on lease liabilities	3	4
	196	**145**

29. Other expenses

	For the year ended 31-03-2025	For the year ended 31-03-2024
Consumption of stores and spares	627	567
Power and fuel	931	889
Rental charges (Refer note 41)	3	5
Repairs and maintenance		
- Buildings	66	58
- Plant and equipments	310	262
Insurance	327	276
Rates and taxes	408	1,179
Factory maintenance expenses	438	383
Clinical and analytical charges	663	475
Carriage and freight outward	211	165

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended 31-03-2025	For the year ended 31-03-2024
Donations*	510	729
Corporate social responsibility (CSR) expenses (Refer note 35)	159	82
Communication expenses	17	31
Office maintenance	73	53
Travelling and conveyance	390	405
Legal and professional fees	1,232	567
Payment to auditors		
- Audit fee including limited reviews	10	10
- Certifications	3	2
- Reimbursement of expenses	1	1
Director's sitting fee	4	2
Provision or (reversal) of credit loss allowance on trade receivables and other financial assets, net	(22)	227
Bad debts written off	11	51
Capital work-in-progress written off	30	-
Provision for diminution in value of investments	-	210
Royalty expense	27	34
Sales promotion expenses	845	1,009
Research and development expenses	963	1,151
Loss on sale of investments held at amortised cost	-	9
Net loss on sale of property, plant and equipment	-	17
Miscellaneous expenses	179	176
	8,416	**9,025**

*Donations includes contributions made to political parties during the year amounting to ₹ 363 which is within the limits specified by Section 182(1) of Companies Act, 2013. During the previous year, donations includes contributions made to political parties amounting to ₹ 578 representing 16% of the average net profits of three immediately preceeding financial years which were made prior to the date of judgement by Honourable Supreme Court of India on this matter on 15 February 2024. Based on the legal opinion obtained by the Management, the said contributions made were in compliance with prevailing law at that time and no further contributions were made after the date of judgement in the previous year. Below are the political party-wise details of such contributions made:

	For the year ended 31-03-2025	For the year ended 31-03-2024
Bharatiya Janata Party	165	105
Bharat Rashtra Samithi	-	100
Janasena Party	15	50
All India Congress Committee	-	120
Telugu Desam Party	70	130
Yuvajana Sramika Rythu Congress Party	100	30
Communist Party of India (Marxist)	10	13
Communist Party of India	2	5
Telangana Pradesh Congress Committee	-	25
Samruddha Odisha	1	-
	363	**578**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

30. Income-tax

(A) Components of Income-tax expenses

	For the year ended 31-03-2025	For the year ended 31-03-2024
(i) Tax expense recognised in profit and loss		
Current tax:		
Current year tax	3,996	2,831
Income-tax for earlier years	79	17
	4,075	**2,848**
Deferred tax charge/(credit) (net):		
Minimum Alternate Tax (MAT) credit recognition (Refer note (E))	(844)	(5)
Origination and reversal of temporary differences	525	(356)
	(319)	**(361)**
Tax expense for the year	**3,756**	**2,487**
(ii) Tax recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
- Tax effect of Remeasurement of defined benefit liability/(asset)	27	7
- Tax effect of Fair value change on Equity instruments through OCI	(6)	(8)
	21	**(1)**

(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% (31-03-2023: 34.944%) and the reported tax expense in the statement of profit or loss are as follows:

	For the year ended 31-03-2025	For the year ended 31-03-2024
Profit before tax	22,260	15,553
Enacted tax rate applicable to the Company in India*	34.944%	34.944%
Tax using the Company's domestic tax rate	**7,779**	**5,435**
Tax effect of:		
Expense not deductible for tax purposes	**92**	**47**
Additional deduction allowed under Income-tax Act	**(3,646)**	**(5,019)**
MAT charge/ (utilisation) for the year	**(32)**	**2,831**
Recognition of MAT credit	**(844)**	**(5)**
Tax pertaining to earlier years	**79**	**17**
Others	**328**	**(819)**
Income-tax expense	**3,756**	**2,487**

*The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated by the President of India on 20 September 2019. The Ordinance has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to a domestic company to pay income-tax at reduced rate of 22% plus applicable surcharge and cess subject to certain conditions. The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax credit.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(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 31-03-2025	For the year ended 31-03-2024
Deferred tax assets/(liabilities):		
Minimum Alternate Tax*	2,146	1,302
Trade receivables and other advances	342	446
Property, plant and equipment (including Right of use assets)	(2,460)	(2,087)
Provision for employee benefits	298	347
Investments	79	54
Lease liabilities	5	9
	410	**71**

* 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.

(D) Movement in deferred tax assets and liabilities

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**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The details of movement in deferred tax assets and liabilities for the year ended 31-03-2024:

	As at 01-04-2023	Recognised in profit and loss	Recognised in OCI	As at 31-03-2024
Deferred tax assets/(liabilities):				
Minimum Alternate Tax	1,297	5	-	1,302
Trade receivables and other advances	85	361	-	446
Property, plant and equipment (including Right of use assets)	(2,054)	(33)	-	(2,087)
Lease liabilities	4	5	-	9
Provision for employee benefits	407	(67)	7	347
Investments	(28)	90	(8)	54
Net deferred tax assets/(liabilities)	**(289)**	**361**	**(1)**	**71**

(E) Unrecognised deferred tax assets

	As at 31-03-2025	As at 31-03-2024
Unrecognised MAT credit entitlement	2,564	3,285
	2,564	**3,285**

The Company did not recognise deferred tax assets of ₹ 2,564, primarily on MAT credit entitlement, because it is not probable that foreseeable 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. The above MAT credit expires at various dates ranging from Assesment year 2029 through 2039.

(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 2025 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 31-03-2025	For the year ended 31-03-2024
Earnings:		
Profit for the year attributable to equity shareholders (a)	**18,504**	**13,066**
Shares:		
Number of equity shares at the beginning of the year	17,91,09,870	18,24,70,115
Weighted average number of equity shares bought back during the year	-	(29,74,504)
Weighted average number of equity shares – Basic (b)	**17,91,09,870**	**17,94,95,611**
Dilutive effect of potential equity shares	-	-
Weighted average number of equity shares – Diluted (c)	**17,91,09,870**	**17,94,95,611**
Earnings per equity share (Face Value of ₹ 2/- each):		
Basic (in ₹) (a/b)	103.31	72.79
Diluted (in ₹) (a/c)	103.31	72.79

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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 31-03-2025:

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	-	-	-
Trade payables	22	2,251	-	-	-
Other financial liabilities	19	1,165	-	-	-
		6,147	**-**	**-**	**-**

As at 31-03-2024:

Particulars	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
A. Financials assets					
Financial assets measured at FVTOCI					
Non-current investments	8	959	-	-	959
Current investments	8	277	277	-	-
Financial assets measured at amortised cost					
Current investments	8	1,362	-	-	-
Loans	9	95	-	-	-
Trade receivables	13	10,766	-	-	-
Cash and cash equivalents	14	55	-	-	-
Bank balances other than cash and cash equivalents	14	8,594	-	-	-
Other financial assets	10	4,854	-	-	-
		26,962	**277**	**-**	**959**
B. Financials liabilities					
Financial liabilities measured at amortised cost					
Borrowings	17	3,632	-	-	-
Trade payables	22	1,833	-	-	-
Other financial liabilities	19	1,031	-	-	-
		6,496	**-**	**-**	**-**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The Company’s financial liabilities comprise of borrowings from banks, trade payables 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 discounted cashflow method for the purpose of valuation of investments. The significant unobservable inputs involved are primarily growth rate, discount rate and terminal growth rate. The relationship of significant unobservable value and fair value is as follows:

the estimated fair value will increase/(decrease) if the expected growth rate and terminal rate increases/(decreases);

the estimated fair value will (decrease)/increase if the expected discount rate increases/(decreases)"

Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2024-25 and no transfers in either direction in 2023-24.

Change in Level 3 fair values

	Unquoted FVTOCI Equity investments	
	31-03-2025	31-03-2024
Opening balance	959	873
Additions/(Deletions) during the year	(26)	86
Net change in fair value (recognised in FVTOCI) (unrealised)	(186)	-
Closing balance	**747**	**959**

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.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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 31-03-2025	As at 31-03-2024
Fixed rate instruments		
Financial assets	25,734	14,028
Variable rate instruments		
Financial liabilities (other than lease liability)	2,731	3,632

Sensitivity-Interest rate risk

Particulars	Impact on profit and loss	
	31-03-2025	31-03-2024
1% increase in interest rate	(27)	(36)
1% decrease in interest rate	27	36

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.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The Company exposure to foreign currency financial assets and financial liabilities expressed in ₹ are as follows:

Financial assets

	31-03-2025			31-03-2024		
	Trade receivables*	Loans	Other financial assets	Trade receivables*	Loans	Other financial assets
- USD	10,498	5	0	8,564	5	0
- EUR	52	-	-	78	-	-
- GBP	-	-	-	5	-	-
- AUD	52	-	-	77	-	-
- CAD	22	-	-	55	-	-
- SGD	48	-	-	28	-	-

Financial liabilities

	31-03-2025			31-03-2024		
	Trade payables	Other financial liabilities	Borrowings*	Trade payables	Other financial liabilities	Borrowings*
- USD	32	60	1,547	93	19	968
- EUR	34	8	32	5	4	43
- GBP	-	-	-	-	-	5
- CAD	-	-	-	-	-	5
- JPY	-	-	-	-	0	-
- SGD	-	23	-	-	-	-
- CHF	-	0	-	-	1	-

* Includes bills discounted which are forming part of trade receivables and borrowings amounting to ₹ 1,579 (31-03-2024: ₹ 1,021). 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.

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	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024
Sensitivity				
₹/USD - Appreciate by 10%	886	749	577	487
₹/EUR - Appreciate by 10%	(2)	3	(1)	2
₹/CAD - Appreciate by 10%	2	5	1	3
₹/AUD - Appreciate by 10%	5	8	3	5
₹/SGD - Appreciate by 10%	2	3	2	2

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Particulars	Impact on profit and loss for the year ended		Impact on equity, net of tax	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024
₹/CHF - Appreciate by 10%	(0)	-	(0)	-
₹/USD - Depreciate by 10%	(886)	(749)	(577)	(487)
₹/EUR - Depreciate by 10%	2	(3)	1	(2)
₹/CAD - Depreciate by 10%	(2)	(5)	(1)	(3)
₹/AUD - Depreciate by 10%	(5)	(8)	(3)	(5)
₹/SGD - Depreciate by 10%	(2)	(3)	(2)	(2)
₹/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 31-03-2025	For the year ended 31-03-2024
Impairment loss on trade receivables and other receivables	11	98

The maximum exposure to credit risk for trade receivables (Gross) by geographic region is as follows:

	As at 31-03-2025	As at 31-03-2024
India	1,306	2,091
USA	368	569
Rest of the world	1,967	1,147
	3,641	**3,807**

The above exposure does not include unbilled revenue.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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**

The exposure to credit risk and ECLs for trade receivables as at 31-03-2024

	Weighted average loss rate	Gross Carrying amount	Loss allowance	Credit impaired
Unbilled	0%	7,156	-	-
Not due	2%	2,848	47	47
Less than 6 months	6%	861	52	52
6 months to 1 year	100%	45	45	45
1-2 years	100%	9	9	9
2-3 years	100%	18	18	18
More than 3 years	100%	26	26	26
Total		**10,963**	**197**	**197**

Movement in allowance for credit losses

	As at 31-03-2025	As at 31-03-2024
Balance as at 01 April	197	150
Net remeasurement of loss allowance	11	98
Amount written off during the year	(11)	(51)
Balance at the end of the year	**197**	**197**

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 ₹ 26,862 (31-03-2024: ₹18,283) and the outstanding amount as at 31-03-2025 amounts to ₹ 7,308 (31-03-2024: ₹6,409).

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.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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. The Company has no long-term borrowings and believes that the working capital loan is sufficient for its current requirements. Accordingly, no liquidity risk is perceived.

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 31-03-2025	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**

As at 31-03-2024	Carrying value	Up to 1 year	From 1 to 3 years	More than 3 years	Total
Financial liabilities					
Borrowings	3,632	3,632	-	-	3,632
Lease liabilities	29	15	6	382	403
Trade payables	1,833	1,833	-	-	1,833
Other financial liabilities	1,031	1,015	9	8	1,031
Total	**6,525**	**6,495**	**15**	**390**	**6,899**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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:

	As at 31-03-2025	As at 31-03-2024
Total borrowings	2,731	3,632
Less: Cash and cash equivalents	(112)	(55)
Net debt [A]	**2,619**	**3,577**
Total equity [B]	73,339	55,923
Total capital [C=A+B]	**75,958**	**59,500**
Gearing ratio (%) [A/C]	3%	6%

35. Corporate social responsibility (CSR) expenses

	For the year ended 31-03-2025	For the year ended 31-03-2024
(a) Amount required to be spent by the Company during the year	159	79
(b) Amount spent during the year:		
(i) Construction or acquistion of any asset	-	-
(ii) On purpose other than (i) above	151	82
(c) Shortfall at the end of the year	8	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Refer note 1	Not applicable
(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	151	82
(g) Details of related party transactions		
(i) NATCO Trust	112	79
(h) Provision made with respect to a liability through contractual obligation	8	-
(i) Details of unspent obligations	8	-
(j) Amount approved by Board of Directors	159	101

Note 1: The unspent obligation as at 31 March 2025 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.
2. Step-down subsidiary company	NatcoFarma do Brasil Ltda., Brazil
	NATCO Pharma USA LLC, USA
3. Entities in which Directors have control or have significant influence	Time Cap Pharma Labs Private Limited
	NATCO Trust
4. Key management personnel ("KMP")	
Chairman	Mr. Sreerama Murthy Gubbala (upto 31-03-2024)
Managing Director	Mr. V C Nannapaneni
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
Company Secretary	Mr. Venkat Ramesh Chekuri
5. Non-Executive Directors and Independent Directors	
Independent Director	Mr. Sreerama Murthy Gubbala (upto 31-03-2024)
Independent Director	Mr. Govinda Prasad Dasu (upto 31-03-2024)
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	
	31-03-2025	31-03-2024
Time Cap Overseas Limited, Mauritius		
Investment in equity shares	-	164
NATCO Pharma (Canada) Inc., Canada		
Sale of products	560	449
NATCO Pharma Asia Pte Ltd., Singapore		
Sale of products	128	64
Natcofarma Do Brasil Ltda., Brazil		
Sale of products	453	365
Corporate guarantee given	-	166
NATCO Pharma Australia Pty Ltd., Australia		
Investment in equity shares	-	5
NATCO Pharma Inc., United States of America		
Investment in equity shares	-	415
NATCO Pharma UK Limited, United Kingdom		
Investment in equity shares	-	126
NATCO Pharma USA LLC, United States of America		
Sale of products	98	107
Reimbursment of expensese	-	1
NATCO Lifesciences Philippines Inc., Philippines		
Investment in equity shares	5	16
Sale of products	52	10
Interest income on loan	0	0
PT.NATCO Lotus Farma, Indonesia		
Investment in equity shares	76	-
Sale of products	28	-
NATCO Pharma Colombia S.A.S, Colombia		
Investment in equity shares	4	-
Time Cap Pharma Labs Private Limited		
Rental expense	7	7
NATCO Trust		
Donations	-	5
Rental income	0	0
Contribution towards corporate social responsibility activities	112	79
Mr. V C Nannapaneni		
Managerial remuneration*	23	23
Leave encashment paid	1	1
Gratuity expense	-	-
Compensated absences expense	1	0
Rental expense	3	3
Commission	75	75
Mr. Rajeev Nannapaneni		
Managerial remuneration*	21	21
Leave encashment paid	1	1
Gratuity expense	0	0

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
	31-03-2025	31-03-2024
Compensated absences expense	1	0
Rental expense	3	3
Commission	75	75
Mr. Potluri Prasad Sivaramakrishna		
Managerial remuneration*	20	19
Leave encashment paid	1	1
Gratuity expense	0	0
Compensated absences expense	1	0
Mr. Lingarao Donthineni		
Managerial remuneration*	39	32
Leave encashment paid	1	1
Gratuity expense	0	0
Compensated absences expense	1	0
Interest income	-	1
Repayment of loan given	-	23
Dr. Pavan Bhat Ganapati		
Managerial remuneration*	37	31
Leave encashment paid	4	1
Gratuity expense	0	0
Compensated absences expense	0	-
Mr. S.V.V.N. Appa Rao		
Remuneration*	14	13
Leave encashment paid	0	0
Gratuity expense	0	0
Compensated absences expense	0	0
Mr. Venkat Ramesh Chekuri		
Remuneration*	3	3
Leave encashment paid	-	-
Gratuity expense	0	0
Compensated absences expense	0	0
Sitting fees:		
Mr. Govinda Prasad Dasu	-	0
Mrs. Leela Digumarti	0	0
Mr. Umamaheshwarrao Naidu Madireddi	0	0
Mr. Sreerama Murthy Gubbala	-	1
Mr. Venkateswara Rao Thallapaka	0	1
Mr. Nitin Jain	0	-
Mrs. Kantipudi Suma	0	-
Mr. D Vijaya Bhaskar	1	-
Mr. A D M Chavali	1	-
Mr. B Lakshminarayana	0	-

Notes to standalone 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	
	31-03-2025	**31-03-2024**
Loan receivable		
NATCO Lifesciences Philippines Inc., Philippines	5	5
Interest accrued but not due on loans		
NATCO Lifesciences Philippines Inc., Philippines	0	0
Trade receivables		
NATCO Pharma (Canada) Inc., Canada	22	50
NatcoFarma do Brasil Ltda., Brazil	143	-
NATCO Pharma Asia PTE Ltd., Singapore	48	28
NATCO Lifesciences Philippines Inc., Philippines	33	9
NATCO Pharma USA LLC., United States of America	44	57
PT.NATCO Lotus Farma, Indonesia	23	-
Rent Payable		
Mr. V.C. Nannapaneni	(0)	(0)
Mr. Rajeev Nannapaneni	(0)	(0)
Time Cap Pharma Labs Private Limited	(1)	(1)
Remuneration payable		
Mr. V.C. Nannapaneni	(0)	(0)
Mr. Rajeev Nannapaneni	(0)	(0)
Mr. Lingarao Donthineni	(1)	(5)
Mr. Potluri Prasad Sivaramakrishna	(1)	(1)
Dr. Pavan Bhat Ganapati	(2)	(6)
Mr. S.V.N.N. Appa Rao	(0)	(2)
Mr.Venkat Ramesh Chekuri	(0)	(0)
Commission payable		
Mr. V.C. Nannapaneni	(75)	(75)
Mr. Rajeev Nannapaneni	(75)	(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 6 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.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

38. Contingent liabilities and commitments

(a) Commitments

	As at	
	31-03-2025	31-03-2024
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 ₹ 200 (31-03-2024: ₹231)	379	490
Pending export obligation under EPCG Scheme	15	11
Other commitment (refer Note - 1 below)	83	83

Note 1: The Company has an outstanding commitment of investment for an amount of ₹ 83 (31-03-2024: ₹ 83) in Cellogen Therapeutics Pvt Ltd as at 31-03-2025.

(b) Contingent liabilities

(i) Matters under appeals with tax authorities:

	31-03-2025	31-03-2024
Disputed Income tax liabilities	24	-
Disputed indirect tax liabilities	6	4

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.

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

40. Capital work-in-progress

a) Movement in Capital work-in-progress

	As at	
	31-03-2025	31-03-2024
Opening balance	**1,339**	**628**
Capital expenditure incurred	2,784	1,732
Capitalised during the year	(1,870)	(1,021)
Closing balance	**2,253**	**1,339**

b) Capital work-in-progress (CWIP) ageing schedule

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 (*)	2,040	190	10	13	2,253

As at 31-03-2024

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 (*)	1,224	65	34	16	1,339

(*) 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 31-03-2025 and 31-03-2024.

41. Leases

Movement in lease liabilities

	As at	
	31-03-2025	31-03-2024
Balance at the beginning	29	12
Additions	-	30
Deletions	-	(1)
Interest expenses	3	4
Repayment of principal and interest on lease liabilities	(17)	(16)
Balance at the end	**15**	**29**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Undiscounted contractual maturities of lease liabilities

	As at	
	31-03-2025	31-03-2024
Deletions	3	17
Interest expenses	9	8
Repayment of principal and interest on lease liabilities	375	378
	387	**403**

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.

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	
	31-03-2025	31-03-2024
Expense relating to short-term leases (refer note 29)	3	5
	3	**5**

Amounts recognised in the standalone statement of profit and loss

	For the year ended	
	31-03-2025	31-03-2024
Depreciation on right of use asset	20	20
Interest expense	3	4
	23	**24**

Amounts recognised in the standalone statement of cash flows

	For the year ended	
	31-03-2025	31-03-2024
Payment of lease liabilities	(17)	(16)
Expense relating to short-term leases (Refer note 29)	(3)	(5)
	(20)	**(21)**

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Details of Right of use of Assets

	Land	Buildings	Total
A. Cost or Deemed cost (Gross carrying amount)			
As at 01-04-2023	382	48	430
Additions	-	29	29
Disposals	(27)	(2)	(29)
Balance as at 31-03-2024	**355**	**75**	**430**
Additions	-	-	-
Disposals	-	(26)	(26)
Balance as at 31-03-2025	**355**	**49**	**404**
B. Accumulated depreciation			
As at 01-04-2023	26	3	29
Charge for the year	5	15	20
Disposals	(3)	(2)	(5)
Balance as at 31-03-2024	**28**	**16**	**44**
Charge for the year	3	17	20
Disposals	-	(26)	(26)
Balance as at 31-03-2025	**31**	**7**	**38**
C. Net carrying amounts (A-B)			
As at 31-03-2024	**327**	**59**	**386**
As at 31-03-2025	**324**	**42**	**366**

42. Ratios

S. No.	Particulars	NUMERATOR	Denominator	Unit	31-03-2025	31-03-2024	% Variance	Reasons for Variance*
a.	Current ratio	CURRENT ASSETS	Current liabilities	Number of times	5.42	3.85	40.78%	Increase in ratio is on account of increase in bank deposits and current investments during the year.
b.	Debt equity ratio	CURRENT + NON-CURRENT BORROWINGS	Total equity	Number of times	0.04	0.06	-33.33%	Decrease in ratio is on account of decrease in closing working capital loan and higher 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	6.84	3.99	71.43%	Increase is on account of higher profits owing to higher 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	31-03-2025	31-03-2024	% Variance	Reasons for Variance*
d.	Return on equity	NET PROFITS AFTER TAXES	Average shareholder's equity	%	29%	25%	16.00%	
e.	Inventory turnover ratio	COST OF GOODS SOLD	Average inventory	Number of times	1.12	1.08	3.70%	
f.	Trade receivables turnover ratio	NET SALES	Average trade receivables	Number of times	3.62	3.80	-4.75%	
g.	Trade payables turnover ratio	PURCHASES	Average trade payable	Number of times	3.03	3.02	0.33%	
h.	Net capital turnover ratio	NET SALES	Current assets - Current liabilities	Number of times	1.07	1.41	-24.11%	
i.	Net profit ratio	NET PROFITS AFTER TAXES	Net sales	%	45%	37%	21.62%	
j.	Return on capital employed	EARNING BEFORE INTEREST AND TAXES	Total equity - Intangible assets + Non current borrowing + Current borrowings + Deferred tax liabilities	%	30%	26%	15.38%	
k.	Return on investment	INCOME GENERATED FROM INVESTED FUNDS	Average invested funds in treasury investments	%	7%	6%	16.67%	

*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 2025:

Name of struck off Company	Nature of transactions with struck-off Company	Balances as at 31 March 2025	Balances as at 31 March 2025
Astral Auto Parts Pvt Ltd	Shares held by struck off company	800 Shares	Shareholder
Dreams Broking Pvt Ltd	Shares held by struck off company	5 Shares	Shareholder
Jannhavi Investment Private Limited	Shares held by struck off company	118 Shares	Shareholder
Lustre Industries Private Limited	Shares held by struck off company	11,800 Shares	Shareholder
Puneet Securities Private Limited	Shares held by struck off company	1,600 Shares	Shareholder
S3 Solutions Private Limited	Shares held by struck off company	411 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).

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(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.

(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 ₹ 3,235 (31-03-2024:₹ 2,541).

(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 31-03-2025 and as at 31-03-2024 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 01-04-2024	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	-	-	-	2,570
Time Cap Overseas Limited	1,706	-	-	-	1,706
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 (incorporated on 04-09-2023)	126	-	-	-	126
PT.NATCO Lotus Farma, Indonesia (incorporated on 28-08-2023)	-	76	-	-	76
NATCO Pharma Colombia S.A.S (incorporated on 16-08-2023)	-	4	-	-	4

Notes to standalone Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 01-04-2023	Allotment/ purchase during the year	Sold during the year	Provision for Dimunition	As at 31-03-2024
Investment in equity Instruments					
Natco Pharma Inc.	2,155	415	-	-	2570
Time Cap Overseas Limited	1,542	164	-	-	1706
NATCO Pharma (Canada) Inc.	232	-	-	-	232
NATCO Pharma Asia Pte. Ltd	102	-	-	-	102
NATCO Pharma Australia PTY Ltd*	205	5	-	(210)	-
NATCO Lifesciences Philippines Inc	47	16	-	-	63
NATCO Pharma UK Limited (incorporated on 04-09-2023)	-	126	-	-	126

*During the previous year, an impairment loss was recognised on the investment in NATCO Pharma Australia PTY Ltd. amounting to INR 210 million.

(b) The Company has given interest bearing loans to its subsidiary Companies:

	As at 01-04-2024	Given/(repaid) 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

The Company has given interest bearing loans to its subsidiary Companies:

	As at 01-04-2023	Given/(repaid) during the year	Impact of foreign exchange translation	As at 31-03-2024*	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.

The loan to subsidiaries are given for general business purpose. The said loan carries an interest rate of 5% p.a. (31-03-2024: 5% p.a.).

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: 28 May 2025

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: 28 May 2025

S V V N Appa Rao
Chief Financial Officer

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"), which comprise the consolidated balance sheet as at 31 March 2025, 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, 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 as at 31 March 2025, of its consolidated profit and other comprehensive loss, 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 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 auditor(s) 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 have a variety of different 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 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.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence: 1. Assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. 2. Tested design, implementation and operating effectiveness of the Group's key controls over measurement, timing and recognition of revenue in accordance with customer contracts. 3. Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end), by verifying the underlying documents, which included sales invoices, contracts and shipping documents, as applicable.

The key audit matter	How the matter was addressed in our audit
The Group also enters into product supply agreements which also requires revenue to be recognised on profit sharing basis in certain cases. The nature of these arrangements are inherently complex. Considering the complexity involved, recognition of revenue from such contracts has also been considered as a key audit matter. The Group routinely enters into development and commercialisation arrangements relating to research and development of new products in the pharmaceutical sector including collaboration with other pharmaceutical companies leading to recognition of revenue from sale of services. Considering the complexity involved, recognition of revenue from such contracts has also been considered as a key audit matter.	4. We have verified the terms of the agreement, invoices, confirmations and payments received by the Group for revenues recognised during the year in relation to product supply agreements. 5. Analysed the terms of development and commercialisation arrangements to determine that revenue is recognised for the rights transferred under the contract having regard to the performance obligations under the contract. 6. Tested manual journals posted to revenue to identify unusual transactions.

Deferred tax asset on Minimum Alternate Tax ('MAT') credit entitlement

See Note 29 (D) and (E) to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Holding company operates in a complex tax jurisdiction in India with various tax exemptions available. The Holding company has paid minimum alternate tax (MAT) under Section 115JB of the Income-tax Act, 1961. The MAT paid would be available as offset over a period of 15 years. The MAT credit is recognised as a deferred tax asset that will be available for offset when the Holding company pays regular taxes under the provisions of Income-tax Act, 1961. In assessing whether the deferred tax assets will be realised, the Holding company considers whether some portion or all of the deferred tax assets will not be realised. The ultimate realisation of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The extent of recognition of deferred tax asset on account of MAT credit requires significant judgment regarding the Holding company's future taxable income which will result in utilisation of the MAT credit within the time limits available under the applicable Income-tax laws and accordingly the same has been considered as 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: 1. Tested the design, implementation and operating effectiveness of the Holding company's key controls over recognition of deferred tax asset relating to MAT credit. 2. Challenged the key business assumptions like profit margins in the foreseeable future years against historical data and trends, to assess their reasonableness. 3. 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. 4. 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.

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 significant property, plant and equipment with respect to Agro Chemical Segment ('CGU'). Owing to the continuous losses in the CGU, there is a risk of impairment that the carrying amount of the aforesaid assets are lower than its recoverable value. The identification of impairment event and the determination of impairment charge requires application of significant judgement by the Holding company. The value in use is determined based on a discounted cash flow model. It involves making certain assumptions, in particular, with respect to the timing and amount of future cash flows of the asset and using estimates like long term growth rate and applicable discounting rates, due to the inherent uncertainty and judgment in forecasting and discounting future cash flows. Accordingly, impairment assessment of property, plant and equipment in the CGU is identified as 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: 1. Tested the design, implementation and operating effectiveness of the Holding company's key controls over impairment analysis of CGU. 2. Tested budgeting procedures upon which the cash flow forecasts were based. We also compared the actual past performances with the budgeted figures. 3. Involved valuation specialists to assist us in evaluating the key assumptions and methodology used by the Holding company, in particular those relating to the forecast of the revenue growth, profit margins, terminal growth rate and discount rate. The valuation specialists also compared the assumptions to externally derived data in relation to key inputs such as projected economic growth, competition, cost of inflation and discount rates. 4. Assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions. 5. 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 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 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 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 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 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities 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 11 subsidiaries/ step down subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of INR 9,152 million as at 31 March 2025, total revenues (before consolidation adjustments) of INR 4,669 million and net cash inflows (before consolidation adjustments) amounting to INR 440 million for the year ended on that date, as considered in the consolidated financial statements. 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, 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 is based solely on the reports of the other auditors.

   These subsidiaries/step down subsidiaries 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/ step down subsidiaries 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/ step down subsidiaries 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, 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 2025 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company incorporated in India is disqualified as on 31 March 2025 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/step down subsidiaries, as noted in the "Other Matter" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 37 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2025.

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 2025.

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 42(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 42(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 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. 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 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:25218685BMMKDI4919

Place: Hyderabad
Date: 28 May 2025

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of NATCO Pharma Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:25218685BMMKDI4919

Place: Hyderabad
Date: 28 May 2025

Annexure B to the Independent Auditor's Report on the consolidated financial statements of NATCO Pharma Limited for the year ended 31 March 2025

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 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion, the Holding 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 2025, 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 Holding 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 Holding 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 Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 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.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Amit Kumar Bajaj
Partner
Membership No.: 218685
ICAI UDIN:25218685BMMKDI4919

Place: Hyderabad
Date: 28 May 2025

Consolidated Balance Sheet

as at 31-03-2025

(All amounts in ₹ millions, except share data and where otherwise stated)

	Note	As at 31-03-2025	As at 31-03-2024
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	5	24,319	22,977
(b) Capital work-in-progress	39	2,254	1,373
(c) Goodwill	6	574	560
(d) Other intangible assets	6	2,087	1,371
(e) Financial assets			
(i) Investments	7	1,528	959
(ii) Other financial assets	9	1,823	439
(f) Deferred tax assets, net	29	501	194
(g) Non-current tax assets, net		32	261
(h) Other non-current assets	10	490	694
Total non-current assets		**33,608**	**28,828**
(2) Current assets			
(a) Inventories	11	7,658	7,005
(b) Financial assets			
(i) Investments	7	3,208	4,435
(ii) Trade receivables	12	12,466	11,889
(iii) Cash and cash equivalents	13	1,200	704
(iv) Bank balances other than (iii) above	13	20,560	8,825
(v) Loans	8	94	90
(vi) Other financial assets	9	4,205	4,528
(c) Other current assets	10	3,309	2,759
Total current assets		**52,700**	**40,235**
Total assets		**86,308**	**69,063**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	358	358
(b) Other equity	15	75,712	58,173
Equity attributable to owners of the Company		**76,070**	**58,531**
(c) Non-controlling interests		53	-
Total equity		**76,123**	**58,531**
(2) Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17	46	53
(ii) Other financial liabilities	18	46	40
(b) Provisions	19	656	709
(c) Deferred tax liabilities, net	29	2	2
Total non-current liabilities		**750**	**804**
(B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	2,731	3,632
(ii) Lease liabilities	17	17	27
(iii) Trade payables	21		
- total outstanding dues of micro and small enterprises; and		176	41
- total outstanding dues of creditors other than micro and small enterprises		2,573	2,314
(iv) Other financial liabilities	18	1,146	1,021
(b) Other current liabilities	20	1,223	1,341
(c) Provisions	19	779	1,029
(d) Current tax liabilities (net)		790	323
Total current liabilities		**9,435**	**9,728**
Total liabilities		**10,185**	**10,532**
Total equity and liabilities		**86,308**	**69,063**
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

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

Amit Kumar Bajaj
Partner
Membership Number: 218685

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

S V V N Appa Rao
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2025

Place: Hyderabad
Date: 28 May 2025

Consolidated Statement of Profit and Loss

for the year ended 31-03-2025

(All amounts in ₹ millions, except share data and where otherwise stated)

		Note	As at 31-03-2025	As at 31-03-2024
1.	**Income**			
	(a) Revenue from operations	22	44,295	39,988
	(b) Other income	23	3,545	1,281
	Total income		**47,840**	**41,269**
2.	**Expenses**			
	(a) Cost of materials consumed	24	5,362	5,225
	(b) Purchases of stock-in-trade		1,661	1,514
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(125)	427
	(d) Employee benefits expense	26	5,945	5,250
	(e) Finance costs	27	239	192
	(f) Depreciation, amortisation and impairment expenses	5 and 6	2,352	1,868
	(g) Other expenses	28	9,492	10,058
	Total expenses		**24,926**	**24,534**
3.	**Profit before tax (1-2)**		**22,914**	**16,735**
4.	**Tax expense:**	29		
	(a) Current tax		4,376	3,165
	(b) Deferred tax		(296)	(313)
	Total tax expenses		**4,080**	**2,852**
5.	**Profit for the year (3-4)**		**18,834**	**13,883**
6.	**Other comprehensive income (OCI)**			
	(a) Items that will not be reclassified to profit or loss			
	(i) Remeasurement of defined benefit liability/(asset)		(78)	(20)
	Tax on remeasurement of defined benefit liability/(asset)		27	7
	(ii) Fair value changes of Equity investments through OCI		23	97
	Tax impact in Fair value changes on Equity investments through OCI		(6)	(8)
	(b) Items that will be reclassified to profit or loss			
	(i) Exchange differences on translating financial statements of foreign operations		(206)	73
	Other comprehensive (loss)/ income for the year, net of tax		**(240)**	**149**
7.	**Total comprehensive income for the year (5+6)**		**18,594**	**14,032**
8.	**Profit for the year attributable to:**			
	Owners of the Company		18,854	13,883
	Non-controlling interests		(20)	-
	Profit for the year		**18,834**	**13,883**
9.	**Other comprehensive income for the year attributable to:**			
	Owners of the Company		(240)	149
	Non-controlling interests		-	-
	Other comprehensive income for the year		**(240)**	**149**
10.	**Total comprehensive income for the year attributable to:**			
	Owners of the Company		18,614	14,032
	Non-controlling interests		(20)	-
	Total comprehensive income for the year		**18,594**	**14,032**
11.	**Earnings per equity share (Face value of ₹ 2 each)**	30		
	Basic (in ₹)		105.26	77.34
	Diluted (in ₹)		105.26	77.34
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

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

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Membership Number: 218685

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DIN: 00183315

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964
Place: Hyderabad
Date: 28 May 2025

S V V N Appa Rao
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2025

Consolidated Statement of Cash Flow

for the year ended 31-03-2025

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
Cash flows from operating activities		
Profit before tax for the period	22,914	16,735
Adjustments for		
Depreciation, amortisation and impairment expenses	2,352	1,868
Finance costs	239	192
Interest income	(1,872)	(1,010)
Provision for impairment of receivables and advances, net	(22)	227
Bad debts written off	11	51
Capital work-in-progresss written off	30	-
Liabilities written back	(5)	(3)
Net (gain)/ Loss on sale of property, plant and equipment and intangible assets	(901)	17
(Profit)/ loss on sale of investments	(14)	9
Dividend income on equity investment at fair value through other comprehensive income	(33)	(3)
Change in fair value of financial assets measured at fair value through profit and loss	-	(2)
Unrealised foreign exchange gain, net	(8)	(8)
Operating profit before working capital changes	**22,691**	**18,073**
Changes in working capital		
(Increase)/ decrease in inventories	(653)	424
Increase in trade receivables	(593)	(3,413)
(Increase)/ decrease in other financial assets	(20)	28
Increase in other assets	(526)	(664)
Increase/ (decrease) in trade payables	403	(281)
(Decrease)/ increase in provisions	(381)	696
(Decrease)/ increase in other financial liabilities	(109)	183
Decrease in other liabilities	(118)	(67)
Cash generated from operating activities	**20,694**	**14,979**
Income taxes paid, net of refund	(3,726)	(2,863)
Net cash generated from operating activities (A)	**16,968**	**12,116**
Cash flows from investing activities		
Purchase of property, plant and equipment (Refer note b below)	(4,011)	(3,394)
Proceeds from sale of property, plant and equipment	950	20
Acquisition of intangible assets	(1,105)	(193)
Proceeds from sale of intangible assets	201	-
Advance for purchase of unquoted shares	(30)	
Repayment of loans by others	(4)	12
Proceeds from sale of investments	4,102	1,286
Purchase of investments	(3,367)	(2,634)
Deposits with banks	(20,576)	(9,225)
Redemption of bank deposits	8,825	4,538
Interest received	1,466	585
Dividend received	33	3
Redemption of deposits other than with banks	3,848	2,773
Deposits other than with banks	(4,477)	(4,098)
Net cash used in investing activities (B)	**(14,145)**	**(10,327)**
Cash flows from financing activities		
Proceeds from issue of shares by subsidiary	73	-
Payment on buy-back of shares, including transaction costs and taxes on buy-back	-	(2,537)
Net (repayment of)/ proceeds from short-term borrowings (refer note (c) below)	(892)	1,978
Dividends paid	(1,078)	(1,708)
Finance cost paid	(176)	(181)
Principal and interest payment of lease liabilities (refer note (c) below)	(34)	(21)
Net cash used in financing activities (C)	**(2,107)**	**(2,469)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**716**	**(680)**
Effect of currency translation adjustment	(220)	65
Cash and cash equivalents as at the beginning of the year	704	1,319
Cash and cash equivalents as at the end of the year	**1,200**	**704**

Consolidated Statement of Cash Flow

for the year ended 31-03-2025

(All amounts in ₹ millions, except share data and where otherwise stated)

Components of cash and cash equivalents

Particulars	As at 31-03-2025	As at 31-03-2024
Cash and cash equivalents:		
Cash on hand	2	3
Balance with Banks:		
- Current accounts	659	638
- Deposit with original maturity within three months	539	63
	1,200	**704**

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 31-03-2025	As at 31-03-2024
Short-term borrowings:		
Opening balance	3,632	1,650
Net proceeds/ (repayment of) from short-term borrowings	(892)	1,978
Non-cash items (Foreign exchange changes)	(9)	4
Closing balance	**2,731**	**3,632**
Lease liabilities:		
Opening balance	80	17
Non cash changes	(34)	(21)
Cash flow changes	17	84
Closing balance	**63**	**80**

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

for and on behalf of the Board of Directors
NATCO Pharma Limited
CIN: L24230TG1981PLC003201

Amit Kumar Bajaj
Partner
Membership Number: 218685

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Chairman and Managing Director
DIN: 00183315

Rajeev Nannapaneni
Vice Chairman and Chief Executive Officer
DIN: 00183872

Venkat Ramesh Chekuri
Company Secretary
M. No. ACS41964

S V V N Appa Rao
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2025

Place: Hyderabad
Date: 28 May 2025

Consolidated Statement of Changes in Equity

for the year ended 31-03-2025

(All amounts in ₹ millions, except share data and where otherwise stated)

A. Equity Share Capital

	Number of Shares	Amount
As at 01-04-2023	**18,24,70,115**	**365**
Changes in Equity share capital due to prior period errors	-	-
Restated balance as at 01-04-2023	18,24,70,115	365
Changes in Equity share capital during the year	(33,60,245)	0
As at 31-03-2024	**17,91,09,870**	**365**
Changes in Equity share capital due to prior period errors	-	-
Restated balance as at 01-04-2024	17,91,09,870	365
Changes in Equity share capital during the year	-	-
As at 31-03-2025	**17,91,09,870**	**365**

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	Share options outstanding account	Retained earnings	Gain/(loss) on FVTOCI equity securities	Foreign currency translation reserve			
As at 01-04-2023	14,065	516	11	595	-	32,923	120	143	48,373	-	48,373
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the year	14,065	516	11	595	-	32,923	120	143	48,373	-	48,373
Profit for the year	-	-	-	-	-	13,883	-	-	13,883	-	13,883
Remeasurement of defined benefit plan, net of tax	-	-	-	-	-	(13)	-	-	(13)	-	(13)
Fair value changes in Equity instruments through OCI, net of tax	-	-	-	-	-	-	89	-	89	-	89
Exchange differences on translating financial statements of foreign operations	-	-	-	-	-	-	-	73	73	-	73
Profit on sale of equity instruments	-	-	-	-	-	57	(57)	-	-	-	-
Buy back of equity shares	(2,046)	-	7	-	-	(7)	-	-	(2,046)	-	(2,046)
Tax on buy back of equity shares	-	-	-	-	-	(478)	-	-	(478)	-	(478)
Expenses on buy back of equity shares	-	-	-	-	-	(6)	-	-	(6)	-	(6)
Transaction with owners - Dividends paid (refer note 14(ix))	-	-	-	-	-	(1,702)	-	-	(1,702)	-	(1,702)
As at 31-03-2024	**12,019**	**516**	18	595	-	44,657	152	216	58,173	-	58,173

Consolidated Statement of Changes in Equity

for the year ended 31-03-2025

(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	Share options outstanding account	Retained earnings	Gain/(loss) on FVTOCI equity securities	Foreign currency translation reserve			
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**

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: 28 May 2025

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: 28 May 2025

S V V N Appa Rao
Chief Financial Officer

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") for the year ended 31 March 2025 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 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 2025 were authorized and approved for issue by the Company's Board of Directors on 28 May 2025.

Details of Group's 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 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 policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Notes to consolidated 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.

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 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.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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	
		2025	2024
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	-
PT. NATCO Lotus Farma (incorporated on 28 August 2023)	Indonesia	51.00	-
NATCO Pharma Colombia S.A.S, (incorporated on 16-08-2023)	Colombia	100.00	-

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.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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. 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 2025.

vii. 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.

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).

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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.

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

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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.

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

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns, chargeback, medicaid payments, 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. 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.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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;
- 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.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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 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

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(All amounts in ₹ millions, except share data and where otherwise stated)

- 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
- 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

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(All amounts in ₹ millions, except share data and where otherwise stated)

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.

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.

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(All amounts in ₹ millions, except share data and where otherwise stated)

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 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

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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.

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

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(All amounts in ₹ millions, except share data and where otherwise stated)

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.

o. 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 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

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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.

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

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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

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. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 –Leases, relating to sale and lease back transactions, applicable to the Group w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant 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 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.

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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.

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(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 01-04-2023	**2,855**	**10,593**	**16,386**	**76**	**491**	**249**	**414**	**450**	**31,514**
Additions	865	549	765	4	41	52	49	83	2,408
Disposals	(28)	(63)	(137)	(2)	(25)	(21)	(6)	(30)	(312)
Exchange differences on translation of foreign operations	-	1	2	1	-	-	1	-	5
Balance as at 31-03-2024	**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**
B. Accumulated depreciation									
As at 01-04-2023	**-**	**1,783**	**6,591**	**52**	**222**	**155**	**281**	**39**	**9,123**
Depreciation for the year	-	346	1,214	6	41	26	52	22	1,707
Disposals	-	(45)	(107)	(1)	(14)	(13)	(6)	(9)	(195)
Exchange differences on translation of foreign operations	-	1	2	-	-	-	-	-	3
Balance as at 31-03-2024	**-**	**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**
C. Impairment losses									
As at 01-04-2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment Loss for the year	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment Loss for the year (refer note (vi))	-	302	198	-	-	-	-	-	500
Balance as at 31-03-2025	**-**	**302**	**198**	**-**	**-**	**-**	**-**	**-**	**500**
D. Net carrying amounts (A-B-C)									
As at 31-03-2024	**3,692**	**8,995**	**9,316**	**22**	**258**	**112**	**131**	**451**	**22,977**
As at 31-03-2025	**5,265**	**8,679**	**9,350**	**27**	**272**	**154**	**150**	**422**	**24,319**

(i) Contractual obligations - Refer to note 37(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(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 ₹ 498 (31-03-2024: ₹ 313).

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(vi) As required by Ind AS 36, an assessment of impairment of assets has been carried out and based on such assessment and necessary disclosures are given below:

The Group has 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 has 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.

	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%.

6. Intangible assets

Reconciliation of carrying amount of Intangible assets

	Goodwill	Commercial product portfolio	Distributor relationships	Pipeline product portfolio	Abbreviated new drug applications	Computer software	Total
A. Cost or Deemed cost (Gross carrying amount)							
As at 01-04-2023	552	399	85	250	552	399	1,685
Acquisition/additions	-	-	-	-	166	26	192
Disposals	-	-	-	-	-	(39)	(39)
Exchange differences on translation of foreign operations	8	6	1	4	8	-	19
Balance as at 31-03-2024	**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**
B. Accumulated amortisation							
As at 01-04-2023	-	49	10	28	31	241	359
Amortisation for the year	-	40	9	23	43	46	161
Disposals	-	-	-	-	-	(37)	(37)
Exchange differences on translation of foreign operations	-	1	-	1	1	-	3
Balance as at 31-03-2024	**-**	**90**	**19**	**52**	**75**	**250**	**486**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	Goodwill	Commercial product portfolio	Distributor relationships	Pipeline product portfolio	Abbreviated new drug applications	Computer software	Total
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**
C. Net carrying amounts (A-B)							
As at 31-03-2024	**560**	**315**	**66**	**202**	**651**	**136**	**1,371**
As at 31-03-2025	**574**	**282**	**59**	**183**	**1,410**	**153**	**2,087**

(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 2025 is ₹ 574 (31 March 2024: ₹ 560).

Following key assumptions were considered while performing goodwill valuation:

Annual growth rate for 5 years (Average): 32.00% (31-03-2024: 16.50%)

Terminal value growth rate: 2% (31-03-2024: 2%)

Discount rate: 13.17% (pre tax rate: 13.26%) (31-03-2024: 14.02% (pre tax: 14.09%)

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 2024-2025.

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(All amounts in ₹ millions, except share data and where otherwise stated)

7. Investments

	As at 31-03-2025	As at 31-03-2024
I. Non-current		
Unquoted		
At fair value through other comprehensive income		
a. Investment in equity instruments (fully paid-up)		
139,451 (31-03-2024: 139,451) equity shares of ₹10 each, in OMRV Hospitals Pvt Ltd	106	106
21,769 (31-03-2024: 21,769) equity shares of ₹10 each, in Veda Seedsciences Pvt Ltd	99	99
8,000 (31-03-2024: 8,000) equity shares of ₹ 10 each, in Cipher Oncology Pvt Ltd	14	14
4,054 (31-03-2024: 4,054) equity shares of $1 each, in NATIVITA Joint Limited Liability Company	0	0
30 (31-03-2024: 30) equity shares of € 0.5 per share of Pharnasanta B.V	0	0
750 (31-03-2024: 750) equity shares of ₹100 each, in Jeedimetla Effluent Treatment Ltd	0	0
34,400 (31-03-2024: 34,400) equity shares of ₹10 each, in Pattancheru Enviro-Tech Ltd	0	0
10 (31-03-2024: 10) equity shares of ₹10 each, in Redlciffe Hygiene Pvt Ltd	0	-
10 (31-03-2024: 10) equity shares of ₹10 each, in Cellogen Therapeutics Pvt Ltd	1	1
299 (31-03-2024: 299) equity shares of ₹1 each, in Simplify Wellness India Pvt Ltd	10	10
27,000 (31-03-2024: 27,000) equity shares of ₹10 each, in Jayalakshmi Spinning Mills Ltd	0	0
150,000 (31-03-2024: 150,000) equity shares of ₹1 each, in Lanco Infratech Ltd	0	0
10,000 (31-03-2024: Nil) equity shares of ₹1 each, in National Stock Exchange of India Ltd	8	-
Less: Provision for impairment in value of investments	(0)	(0)
	238	**230**
Unquoted		
b. Other investments		
4,619 (31-03-2024: 4,302) units of ₹10,000 each, in Endiya Trust	108	103
Nil (31-03-2024: 65,979) shares of seed -2 preferred stock in ISCA Inc.	-	38
500,000 (31-03-2024: 500,000) 0.05% compulsorily convertible preference shares (CCPS) of ₹100 each, in OMRV Hospitals Pvt Ltd	50	50
5,726 (31-03-2024: 5,726) 0.0001% compulsorily convertible preference shares (CCPS) of ₹10 each, in Eyestem Research Pvt. Ltd	75	75
16,953,299 (31-03-2024:16,953,299) 0.001% Compulsorily convertible preference shares (CCPS) of $1 each, in Eywa Pharma Pte Ltd	62	249
8,116 (31-03-2024: 8,116) 0.001% Compulsorily convertible preference shares (CCPS) of ₹ 10 each, in Redcliffe Hygiene Pvt Ltd	130	130
556 (31-03-2024: 556) 0.1% compulsorily convertible preference shares (CCPS) of ₹10 each, in Cellogen Therapeutics Pvt Ltd	74	74.00
1 (31-03-2024: 1) Convertible note (CN) of ₹10,000,000 each, in Cipher Oncology Pvt Ltd	10	10.00
	509	**729**

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(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
Unquoted		
At amortised cost		
National savings certificates	0	0
Bonds-Jaguar Land Rover Automotive PLC	24	-
Other - SRX Health Sol. - Canada	30	-
Other - Stero LLC. - Canada	85	-
Other - eGenesis Inc. - Canada	642	-
	781	**0**
Total non-current investments	**1,528**	**959**
Aggregate book value of unquoted investments	1,528	959
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		
3,000 (31-03-2024: 6,000) equity shares of ₹10 each, in Neuland Laboratories Ltd	36	38
5,500 (31-03-2024: 5,500) equity shares of ₹1 each, in Sun Pharmaceuticals Industries Ltd	10	9
530 (31-03-2024: 530) equity shares of ₹2 each, in Alkem Laboratories Ltd	3	3
12,400 (31-03-2024: 12,400) equity shares of ₹1 each, in Zydus Lifesciences Ltd	11	12
250,000 (31-03-2024: 320,000) equity shares of ₹2 each, in Laurus Labs Ltd	153	125
22,700 (31-03-2024: 22,700) equity shares of ₹1 each, in GMR Airports Limited	2	2
15,000 (31-03-2024: 15,000) equity shares of ₹1 each, in Panacea Biotec Ltd	7	2
2,100 (31-03-2024: 2,100) equity shares of ₹1 each, in ICICI Prudential Life Insurance Company Ltd	1	1
4,000 (31-03-2024: 4,000) equity shares of ₹1 each, fully paid-up in JB Chemicals and Pharmaceuticals Ltd	6	7
30,000 (31-03-2024: 50,000) equity shares of ₹10 each, in Medplus Health Services Ltd	23	34
2,270 (31-03-2024: 2,270) equity shares of ₹5 each, in GMR Power & Urban Infra Ltd	0	0
18,300 (31-03-2024: 18,300) equity shares of ₹1 each, in Ravinder Height Ltd	1	1
65,344 (31-03-2024: 32,200) equity shares of ₹1 each, in FDC Ltd	26	-
2,000 (31-03-2024: Nil) equity shares of ₹1 each, in Eris Life Sceinces Ltd	3	-
7,300 (31-03-2024: Nil) equity shares of ₹10 each, in Indusind Bank Ltd	5	-
15000 (31-03-2024: Nil) ₹1000/- each,ICICI Prudential BSE Liquid Rate ETF	15	-
126 (31-03-2024: 70) equity treasury shares of ZAR 10 cents each, in Nasper Ltd,South Africa	3	1
1,284,680 (31-03-2024: 1,284,680) equity treasury shares of ZAR 10 cents each, in Adcock Ingram Holdings Ltd,South Africa	292	311
	597	**546**

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(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
b) Investment in Bonds, Debentures and Commercial Papers (fully paid-up)		
Quoted		
(At amortised cost)		
100 (31-03-2024: 100) 7.73% Series III Perpetual Bonds of ₹ 1,000,000 each, issued by State Bank of India	106	106
Nil (31-03-2024: 140) 5.7% (Secured) non-convertible debentures (NCD) of ₹10,00,000 each, HDB Financial Services Ltd	-	141
Nil (31-03-2024: 200) 6.42% ((Unsecured) non-convertible debentures (NCD) of ₹10,00,000 each, Bharti Telecom Ltd	-	230
Nil (31-03-2024: 2,500) 8.80% Perpetual Bonds of ₹1,00,000/- each, through issuer Piramal Capital & Housing Finance Ltd	-	267
Nil (31-03-2024: 130) 11.60% ((Unsecured) non-convertible debentures (NCD) of ₹10,00,000 each, Hinduja Leyland Finance Ltd	-	147
Nil (31-03-2024: 100,000) 8.35% Perpetual Bonds of ₹1,000/- each, through issuer Piramal Capital & Housing Finance Ltd-ADITYA BIRLA	158	-
2500 (31-03-2024: Nil) 9.65% NCD of ₹1,00,000/- each, through issuer Shriram Finance Ltd	274	
7500 (31-03-2024: Nil) 9.25% NCD of ₹1,00,000/- each, through issuer Shriram Finance Ltd	772	
250 (31-03-2024: Nil) 8.80% Series X Perpetual Bonds of ₹ 1,000,000 each, issued by Bharathi Telecom Limited	259	-
	1,569	**891**
Unquoted		
(At amortised cost)		
5.19% to 5.65% (31 March 2024 4 and 4.10%) Cashable Guaranteed investment certificates issuer ICICI Bank Canada	-	1,292
5.5% Non redeemable Guaranteed investment certificates issuer Royal Bank of Canada	-	1,169
4.75% and 5.68% Soft Bank bonds Issuer LGT Bank	11	66
Nil (31 March 2024: 1,000) 8.25% Commercial Paper (CP) of ₹500,000/- each, through issuer ICICI Securities Limited	-	471
2,000 (31-03-2024: Nil) 8.85% Commercial Paper (CP) of ₹500,000/- each, through issuer Piramal Enterprises Limited	988	-
Bonds - Julius baer- Canada	43	-
	1,042	**2,998**
Total current investments	**3,208**	**4,435**
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	1,042	2,998
Aggregate book value of quoted investments	2,166	1,437
Aggregate market value of quoted investments	2,166	1,437
Aggregate amount of impairment in the value of investments	-	-

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

8. Loans

	As at 31-03-2025	As at 31-03-2024
(Unsecured, considered good)		
Current		
Loans to employees	94	80
Loans to others	-	10
	94	**90**

Information about the Company's exposure to credit risk is included in Note 32.

9. Other financial assets

	As at 31-03-2025	As at 31-03-2024
(Unsecured, considered good)		
Non-current		
Security deposits	187	175
Bank deposits due to mature after 12 months from the reporting date	16	-
Deposits other than with banks	1,550	250
Advance for purchase of unquoted shares	30	-
Interest on loans and deposits accrued but not due	40	14
	1,823	**439**
Current		
Deposits other than with banks	3,177	3,848
Interest on deposits, accrued but not due	1,004	664
Other receivables	24	16
	4,205	**4,528**

Information about the Company's exposure to credit risk is included in Note 32.

10. Other assets

	As at 31-03-2025	As at 31-03-2024
Non-current		
Capital advances		
Unsecured, considered good	488	690
Unsecured, considered doubtful	19	19
	507	**709**
Less: Allowance for doubtful advances	(19)	(19)
	488	**690**
Advances other than capital advances		
(Unsecured, considered good)		
Prepaid expenses	1	3
Balance with statutory authorities	1	1
	2	**4**
	490	**694**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
Current		
Advances other than capital advances		
Advance to material suppliers/ service providers		
Unsecured, considered good	836	912
Unsecured, considered doubtful	171	193
	1,007	**1,105**
Less: Allowance for doubtful advances	(171)	(193)
	836	**912**
(Unsecured, considered good)		
Prepaid expenses	305	289
Export incentives	17	26
Balance with statutory authorities	2,150	1,532
Others	1	-
	3,309	**2,759**

11. Inventories

	As at 31-03-2025	As at 31-03-2024
(Valued at lower of cost or net realisable value)		
Raw materials [including goods-in-transit of ₹ 151 (31-03-2024: ₹ 71)]	2,337	2,041
Work-in-progress	1,253	1,023
Finished goods [including goods-in-transit of ₹ 13 (31-03-2024: ₹209)]	2,385	2,592
Stock-in-trade	200	139
Stores and spares [including goods-in-transit of ₹ 13 (31-03-2024: ₹ 5)]	975	780
Packing materials [including goods-in-transit of ₹ 2 (31-03-2024: ₹ 8)]	508	430
	7,658	**7,005**

The write-down of inventories during the year amounted to ₹ 661 (31-03-2024: ₹ 434). 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 31-03-2025	As at 31-03-2024
Current		
Unsecured trade receivables	12,663	12,086
Less: Provision for impairment	197	197
	12,466	**11,889**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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**

Ageing of trade receivables as at 31-03-2024

Outstanding for following periods from due date of payment	Undisputed	
	Considered good	Credit impaired
Unbilled	7,156	-
Not due	3,797	47
Less than 6 months	895	52
6 months to 1 year	41	45
1-2 years	-	9
2- 3 years	-	18
More than 3 years	-	26
Total	**11,889**	**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 31-03-2025 and as at 31-03-2024.

There are no disputed trade receivables as at 31-03-2025 and 31-03-2024 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.

Outstanding for following periods from due date of payment	Undisputed	
	Considered good	Credit impaired
Carrying amount of trade receivables transferred to a bank	1,579	1,021
Carrying amount of associated liabilities	(1,579)	(1,021)

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

13. Cash and bank balances

	As at 31-03-2025	As at 31-03-2024
Cash and cash equivalents:		
Cash on hand	2	3
Balance with banks:		
- On Current accounts	659	638
- Deposit with original maturity within three months	539	63
	1,200	**704**
Other bank balances		
Deposits (having original maturity more than 3 months) due to mature within 12 months from the reporting date*	20,532	8,794
Unpaid dividend account	28	31
	20,560	**8,825**

*Bank deposits given as margin money and lien marked against bank guarantees/ performance guarantees issued by banks amounting to ₹ 41 (31-03-2024 : ₹ 21).

14. Equity share capital

i. Authorised share capital

	As at 31-03-2025		As at 31-03-2024	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹2 each	200,000,000	400	200,000,000	400

ii. Issued, subscribed and fully paid up

	As at 31-03-2025		As at 31-03-2024	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of ₹2 each	17,91,09,870	358	17,91,09,870	358
	17,91,09,870	**358**	**17,91,09,870**	**358**

iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	As at 31-03-2025		As at 31-03-2024	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares				
Shares outstanding at the beginning of the year	17,91,09,870	358	18,24,70,115	365
Add: Shares issued during the year	-	-	-	-
Less: Bought back and extinguished during the previous year (Refer note below)	-	-	(33,60,245)	(7)
Shares outstanding at the end of the year	**17,91,09,870**	**358**	**17,91,09,870**	**358**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Note:

The Board of Directors at its meeting held on 08 March 2024 had approved the buy-back of fully paid up equity shares of face value of ₹ 2 each from the eligible equity shareholders of the Company other than the Promoters, the Promoter group and Persons who are in control of the Company, at a price not exceeding ₹ 700 per equity share (Maximum Buyback Price), payable in cash for an aggregate amount not exceeding ₹ 2,100 (Maximum Buy-back Size, excluding transaction costs and taxes thereon), from the Open Market route through the stock exchange mechanism under the Companies Act, 2013 and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ('Buyback Regulations').

The Buy-back commenced on 21 March 2024 and was concluded on 12 May 2024. In this regard, the Company bought back 3,447,295 equity shares, at an average price of ₹ 609.1712 per equity share resulting in total cash consideration of ₹ 2,100 (excluding ₹ 511 towards transaction cost and tax on Buy-back). These equity shares were extinguished as per the records of the depositories. Balance expense towards transaction cost and the tax on buy-back amounting to ₹ 511 was debited directly to the retained earnings. Further, capital redemption reserve of ₹ 7 representing the nominal value of shares bought back, was created in accordance with Section 69 of the Companies Act, 2013."

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 31-03-2025		As at 31-03-2024	
	Number of Shares	% holding	Number of Shares	% holding
V C Nannapaneni	2,80,45,905	15.66%	2,80,45,905	15.66%
Time Cap Pharma Labs Private Limited	1,71,75,420	9.59%	1,71,75,420	9.59%
V S Swathi Kantamani	1,59,33,340	8.90%	1,59,83,340	8.92%
Natsoft Information Systems Private Limited	1,57,84,900	8.81%	1,57,84,900	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 31-03-2025			As at 31-03-2024		
	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	2,80,45,905	15.66%	-	2,80,45,905	15.66%	0.06%
Kantamani Ratna Kumar	50,000	0.03%	-50.00%	1,00,000	0.06%	-
Durga Devi Nannapaneni	35,39,100	1.98%	-	35,39,100	1.98%	-
Rajeev Nannapaneni	10,78,000	0.60%	-4.43%	11,28,000	0.63%	-
Ramakrishna Rao Nannapaneni	-	0.00%	-100.00%	7,46,910	0.42%	-
Neelima Sita Nannapaneni	1,82,960	0.10%	-	1,82,960	0.10%	-
Devendranth Alapati	15,000	0.01%	-	15,000	0.01%	-

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Name of the promoter	As at 31-03-2025			As at 31-03-2024		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Bapineedu Tummala	415	0.00%	-	415	0.00%	-
Tummala Jansi	77,100	0.04%	-	77,100	0.04%	-
T Ananda Babu	4,13,205	0.23%	-	4,13,205	0.23%	-12.68%
Vidyadhari Tummala	3,67,200	0.21%	-16.96%	4,42,200	0.25%	-
T Anila	5,64,920	0.32%	-5.83%	5,99,920	0.33%	-4.76%
V S Swathi Kantamani	1,59,33,340	8.90%	-0.31%	1,59,83,340	8.92%	-
Natsoft Information Systems Pvt Ltd	1,57,84,900	8.81%	-	1,57,84,900	8.81%	-
Timecap Pharma Labs Private Limited	1,71,75,420	9.59%	-	1,71,75,420	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%	-0.32%
Neelima Nannapaneni Trust	40,82,750	2.28%	-	40,82,750	2.28%	-
Durga Devi Nannapaneni Family Private Trust	6,00,000	0.33%	-	6,00,000	0.33%	-
Satya Vani Nannapaneni	4,20,000	0.23%	100.00%	-	0.00%	-
Sanjay Nannapaneni	3,26,910	0.18%	100.00%	-	0.00%	-
VCN Family Private Trust	1,700	0.00%	-	1,700	0.00%	-
SAU Family Trust	1,700	0.00%	-	1,700	0.00%	-
	8,87,70,275	**49.56%**		**8,90,30,275**	**49.70%**	

vii. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

	2024-25	2023-24	2022-23	2021-22	2020-21
Equity shares bought-back	-	33,60,245	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	2024-25			2023-24		
	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	12-08-2024	3.00	537	09-08-2023	7.00	1,254
Second interim dividend	12-11-2024	1.50	269	15-11-2023	1.25	224
Third interim dividend	12-02-2025	1.50	269	14-02-2024	1.25	224
Total			**1,075**			**1,702**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

15. Other equity

A Reserve and surplus

	As at 31-03-2025	As at 31-03-2024
Securities premium		
Balance at the beginning of the year	12,019	14,065
Add: Share options exercised	-	-
Less: Buy-back of equity shares during the year	-	(2,046)
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	11
Add: Transferred from retained earnings	-	7
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**
Share options outstanding account		
Balance at the beginning of the year	-	-
Less: Shares exercised during the year	-	-
Add: Employee stock options expense	-	-
Balance at the end of the year	**-**	**-**
Retained earnings		
Balance at the beginning of the year	44,657	32,923
Add: Profit for the year	18,854	13,883
Less: Interim dividend	(1,075)	(1,702)
Less: Tax on buy-back of equity shares	-	(478)
Less: Transferred to Capital redemption reserve	-	(7)
Less: Expenses on buy-back of equity shares	-	(6)
Add: Remeasurement of post employement benefit obligation, net of tax	(51)	(13)
Add: Transfer from FVOCI - equity investments	81	57
Balance at the end of the year	**62,466**	**44,657**
Total reserves and surplus	**75,614**	**57,805**

B Other items of OCI

	As at 31-03-2025	As at 31-03-2024
FVOCI - Equity instruments		
Balance at the beginning of the year	152	120
Less: Transfer to retained earnings	(81)	(57)
Less: Changes in fair value	23	97
Add: Tax impact on the above adjustments	(6)	(8)
Balance at the end of the year	**88**	**152**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	As at 31-03-2025	As at 31-03-2024
Foreign currency translation reserve		
Balance at the beginning of the year	216	143
Add : Adjustments during the year	(206)	73
Balance at the end of the year	**10**	**216**
Total other items of OCI	**98**	**368**
Total Other equity	**75,712**	**58,173**

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.

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. The expense towards transaction cost and the tax on buy-back amounting to Nil (31-03-2024: ₹ 484) has been debited directly to the retained earnings.

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.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

16. Borrowings

	As at 31-03-2025	As at 31-03-2024
Current		
Loan repayable on demand from banks:		
Working capital loans (secured)	1,818	1,672
Working capital loans (unsecured)	913	1,960
	2,731	**3,632**

Notes:

(i) 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.

(ii) Working capital loans (unsecured) represents overdraft facility and bills discounted with various banks.

(iii) The rate of interest applicable was in the range of 4.155% to 9.30% p.a (31-03-2024: 3.84% to 8.90% p.a) for secured and unsecured working capital loan.

(iv) Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 32.

(v) Quarterly statements of current assets filed by the Holding Company with banks or financial institutions are in agreement with the books of account.

(vi) The Holding Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(vii) The Group has not availed any specific borrowing during the year.

(viii) There were no delay/ default in repayment of dues or delays in payment of interest to banks.

17. Lease liabilities

	As at 31-03-2025	As at 31-03-2024
Non-current		
Lease liabilities (Refer note 40)	46	53
	46	**53**
Current		
Lease liabilities (Refer note 40)	17	27
	17	**27**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

18. Other financial liabilities

	As at 31-03-2025	As at 31-03-2024
Non-current		
Deposits from customers	46	40
	46	**40**
Current		
Book overdraft	-	149
Capital creditors (refer note 21 for disclosure related to MSME)	571	328
Unpaid dividend	28	31
Payroll related liabilities	547	513
	1,146	**1,021**

Information about Group's exposure to foreign currency and liquidity risks is included in Note 32.

19. Provisions

	As at 31-03-2025	As at 31-03-2024
Non-current		
Provision for employee benefits:		
Provision for gratuity (refer note (a))	181	266
Provision for compensated absences (refer note (b))	454	418
Provision for defined benefit retirement plan (refer note (c))	21	25
	656	**709**
Current		
Provision for employee benefits:		
Provision for gratuity (refer note (a))	161	67
Provision for compensated absences (refer note (b))	103	62
Provision for defined benefit retirement plan (refer note (c))	0	0
Other provisions		
Provision for sales returns (refer note (d))	168	362
Provision for litigations (refer note (e))	347	538
	779	**1,029**

(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.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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 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 2025 (31 March 2024: 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:

(i) Reconciliation of the present value of defined benefit obligation

	As at 31-03-2025	As at 31-03-2024
Opening balance	850	733
Current service cost	87	75
Interest cost	61	55
Benefits paid	(42)	(47)
Remeasurement or Actuarial gain/ (loss) arising from:		
Experience adjustment	34	6
Change in demographic assumptions	(38)	-
Change in financial assumptions	113	28
Closing balance	**1,065**	**850**

(ii) Reconciliation of present value of plan assets

	As at 31-03-2025	As at 31-03-2024
Opening balance	517	213
Interest income	37	16
Employer contribution	201	321
Benefits paid	(42)	(47)
Return on plan assets, excluding interest income	10	14
Closing balance	**723**	**517**

(iii) Reconciliation of net defined benefit obligation

	As at 31-03-2025	As at 31-03-2024
Present value of funded obligation	1,065	850
Fair value of plan assets	(723)	(517)
Amount recognised in the balance sheet	**342**	**333**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(iv) Expense recognised in the statement of profit and loss under employee benefits expense:

	For the year ended 31-03-2025	For the year ended 31-03-2024
Current service cost	87	75
Interest cost	61	55
Interest income	(37)	(16)
Net cost	**111**	**114**

(v) Remeasurements recognised in the statement of other comprehensive income

	For the year ended 31-03-2025	For the year ended 31-03-2024
Experience adjustment on funded obligation	109	34
Return on plan assets, excluding interest income	(10)	(14)
Net gratuity costs in other comprehensive income	**99**	**20**

(vi) Plan assets comprises of the following:

	As at 31-03-2025	As at 31-03-2024
Group gratuity fund managed by LIC	723	517

(vii) Summary of actuarial assumptions:

	As at 31-03-2025	As at 31-03-2024
Discount rate	6.65%	7.50%
Salary escalation rate	7.50%	7.00%
Attrition rate		
Upto 30 Years	18.00%	3.00%
31-44 Years	12.00%	2.00%
Above 44 Years	6.00%	1.00%
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.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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:

The sensitivity analysis of significant actuarial assumptions as at the end of the period is shown below:

	As at 31-03-2025	As at 31-03-2024
A. Defined benefit obligation without effect of projected salary growth	1,065	850
Changes in defined benefit obligation due to:		
B. Salary escalation rate		
Salary rate +100 basis points	62	86
Salary rate -100 basis points	(59)	(79)
C. Discount rate		
Discount rate +100 basis points	(69)	(88)
Discount rate -100 basis points	79	103
D. Attrition rate		
Attrition rate +100 basis points	(2)	2
Attrition rate -100 basis points	3	(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 ₹ 433 (31-03-2024: ₹ 417).

(x) Maturity profile of defined benefit obligation (valued on undiscounted basis):

	As at 31-03-2025	As at 31-03-2024
Within 1 year	161	67
2 to 5 years	442	188
6 to 10 years	459	311
More than 10 years	793	1,706

(xi) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (Previous year: 11 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 31-03-2025 is ₹ 557 (31-03-2024: ₹ 480). Expense recognised in the consolidated statement of profit and loss under employee benefit expense is ₹ 157 (31-03-2024: ₹ 107).

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 31-03-2025	As at 31-03-2024
Opening balance	28	-
Past service cost	-	26
Current service cost	13	2
Interest cost	2	-
Remeasurement or Actuarial gain/ (loss) arising from:		-
Experience adjustment	(11)	-
Change in demographic assumptions	(12)	-
Change in financial assumptions	1	-
Closing balance	**21**	**28**

(ii) Expense recognised in the statement of profit and loss under employee benefits expense:

	As at 31-03-2025	As at 31-03-2024
Current service cost	13	2
Past service cost	-	26
Interest cost	2	-
Net cost	**15**	**28**

(iii) Remeasurements recognised in the statement of other comprehensive income

	As at 31-03-2025	As at 31-03-2024
Experience adjustment on funded obligation	(22)	-
Net gratuity costs in other comprehensive income	**(22)**	**-**

(iv) Summary of actuarial assumptions:

	As at 31-03-2025	As at 31-03-2024
Discount rate	6.80%	7.20%
Attrition rate		
Upto 30 Years	18.00%	3.00%
31-44 Years	12.00%	2.00%
Above 44 Years	6.00%	1.00%
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 consolidated 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 31-03-2025	As at 31-03-2024
A. Defined benefit obligation without effect of projected salary growth	21	28
Changes in defined benefit obligation due to:		
B. Discount rate		
Discount rate +100 basis points	(1)	(2)
Discount rate -100 basis points	1	2
C. Attrition rate		
Attrition rate +100 basis points	(2)	(3)
Attrition rate -100 basis points	2	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 senitivity anslysis from the previous year.

(vi) Maturity profile of defined benefit obligation (valued on undiscounted basis):

	As at 31-03-2025	As at 31-03-2024
Within 1 year	0	0
2 to 5 years	9	6
6 to 10 years	16	22
More than 10 years	9	25

(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) Provision for sales returns

	As at 31-03-2025	As at 31-03-2024
Opening balance	362	62
Created during the year	168	300
Utilised during the year	(362)	-
Closing balance	**168**	**362**

Provision for sales return represents the provision for the expected sales returns based on the Company's internal assessment.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(e) Provision for litigations

	As at 31-03-2025	As at 31-03-2024
Opening balance	538	-
Created during the year (included in rates and taxes, refer note 28)	50	840
Utilised during the year	(241)	(302)
Closing balance	**347**	**538**

Provision for litigations represents provision towards potential liability against various ongoing litigations based on the Company's internal assessment.

20. Other liabilities

	As at 31-03-2025	As at 31-03-2024
Current		
Statutory liabilities	166	201
Contract liabilities against payment	828	853
Others	229	287
	1,223	**1,341**

22. Trade payables

	As at 31-03-2025	As at 31-03-2024
Current		
Total outstanding dues of micro enterprises and small enterprises ('MSME') [Refer note below]	176	41
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,573	2,314
	2,749	**2,355**

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**	**-**	**-**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Ageing of trade payables as at 31-03-2024

Outstanding for following periods from due date of payment	MSME	Others	Disputed dues -MSME	Disputed dues - Others
Unbilled	-	536	-	-
Not due	41	1,044	-	-
Less than 1 year	-	625	-	-
1-2 years	-	27	-	-
2-3 years	-	36	-	-
More than 3 years	-	46	-	-
Total	**41**	**2,314**	**-**	**-**

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 31-03-2025	As at 31-03-2024
(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 ₹ 80 (31-03-2024 : ₹ 45) shown under capital creditors)	256	86
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) 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 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.	-	-

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.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

22. Revenue from operations

	For the year ended 31-03-2025	For the year ended 31-03-2024
Revenue from contracts with customers:		
Sale of products*	43,835	36,246
Sale of services	270	3,533
Job work income	11	9
Total (a)	**44,116**	**39,788**
Other operating revenues:		
Export incentives	85	103
Government incentive schemes	64	71
Scrap sales	30	26
Total (b)	**179**	**200**
Total revenue from operations (a+b)	**44,295**	**39,988**
*includes profit sharing income arising from marketing arrangements for sale of products.		
Disaggregation of revenue from contracts with customers		
Revenue based on Geography:		
India	5,490	5,676
USA	31,487	28,048
Rest of the world	7,139	6,064
	44,116	**39,788**
Revenue based on segments/product lines		
Pharmaceuticals	43,510	38,705
Agro Chemicals	606	1,083
	44,116	**39,788**
Timing of revenue recognition:		
Goods transferred at a point in time	43,835	36,246
Services transferred at a point in time	99	2,107
Services transferred over time	182	1,435
	44,116	**39,788**
Reconciliation of revenue from contracts with customer with contract price:		
Revenue as per contracted price	47,459	43,118
Adjusted for:		
Sales returns	(1,813)	(2,922)
Trade discounts and rebates	(1,530)	(408)
Total Revenue from contract with customers	**44,116**	**39,788**
Contract balances		
The following table provides information about trade receivables and contract liabilities from contract with customers:		
Trade receivables (including unbilled revenue amounting to ₹ 8,338 (31 March 2024: ₹7,156) (Refer note 12)	12,466	11,889
Contract liabilities (Refer note 20)	828	853

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 31-03-2024 is ₹ 828 (31-03-2024: ₹ 853) resulting from advance payments and shown under other current liabilities.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

23. Other income

	For the year ended 31-03-2025	For the year ended 31-03-2024
Dividend income on equity instruments at FVOCI - investment held at reporting date	33	3
Gain on sale of investments	14	-
Interest income on financial assets carried at amortised cost	1,872	1,010
Net gain on sale of property, plant and equipment	901	-
Renewable energy (Wind Power) income	24	32
Foreign exchange gain (net)	198	103
Fair value gain on financial assets measured at FVTPL	-	4
Insurance claim received	163	43
Miscellaneous income	340	86
	3,545	**1,281**

24. Cost of materials consumed

	For the year ended 31-03-2025	For the year ended 31-03-2024
Raw materials consumed	4,879	4,738
Packing materials consumed	483	487
	5,362	**5,225**

25. Changes in inventories of finished goods, work-in-progress and stock-in-trade:

	For the year ended 31-03-2025	For the year ended 31-03-2024
Opening stock:		
- Finished goods	2,592	2,788
- Work-in-progress	1,023	1,293
- Stock-in-trade	139	78
	3,754	**4,159**
Closing stock:		
- Finished goods	2,385	2,592
- Work-in-progress	1,253	1,023
- Stock-in-trade	200	139
	3,838	**3,754**
Currency translation adjustment	41	(22)
	(125)	**427**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

26. Employee benefits expense

	For the year ended 31-03-2025	For the year ended 31-03-2024
Salaries, wages and bonus	5,372	4,731
Contribution to provident fund and other funds (Refer note (a) below)	331	291
Gratuity expense (Refer note 19 (a))	111	114
Staff welfare expenses	131	114
	5,945	**5,250**

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 ₹ 318 (31-03-2024: ₹ 274).

(b) Refer note 19 for details of provision for employee benefits.

27. Finance costs

	For the year ended 31-03-2025	For the year ended 31-03-2024
Interest expense on working capital loans measured at amortised cost	107	109
Interest on Income tax	56	-
Other borrowing costs	69	72
Interest expenses on lease liabilities	7	11
	239	**192**

28. Other expenses

	For the year ended 31-03-2025	For the year ended 31-03-2024
Consumption of stores and spares	627	567
Power and fuel	931	889
Rental charges (Refer note 40)	46	59
Repairs and maintenance:	-	-
- Buildings	66	58
- Plant and equipments	310	262
- Others	-	1
Insurance	350	297
Rates and taxes	497	1,303
Factory maintenance expenses	438	383
Clinical and analytical charges	663	475
Carriage and freight outward	256	205
Donations*	510	729

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(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended 31-03-2025	For the year ended 31-03-2024
Corporate social responsibility (CSR) expenses (Refer note 34)	159	82
Communication expenses	30	37
Office maintenance	85	71
Travelling and conveyance	496	499
Legal and professional fees	1,518	847
Payment to auditors		
- Statutory audit fees including limited reviews	10	12
- Certifications	3	2
- Reimbursement of expenses	1	1
Product development and legal charges	94	206
Director's sitting fee	4	2
Provision for impairment of receivables and advances, net	(22)	227
Bad debts written off	11	51
Capital work-in-progress written off	30	-
Royalty expense	27	34
Sales promotion expenses and other incentives	1,108	1,325
Research and development expenses	1,040	1,211
Loss on sale of investments helds at amortised cost	-	9
Net loss on sale of property, plant and equipment	-	17
Fair value loss on Financial assets/Liability measured at FVTPL	-	2
Miscellaneous expenses	204	195
	9,492	**10,058**

*Donations includes contributions made to political parties during the year amounting to ₹ 363 which is within the limits specified by Section 182(1) of Companies Act, 2013. During the previous year, donations includes contributions made to political parties amounting to ₹ 578 representing 16% of the average net profits of three immediately preceeding financial years which were made prior to the date of judgement by Honourable Supreme Court of India on this matter on 15 February 2024. Based on the legal opinion obtained by the Management, the said contributions made were in compliance with prevailing law at that time and no further contributions were made after the date of judgement in the previous year. Below are the political party-wise details of such contributions made:

	For the year ended 31-03-2025	For the year ended 31-03-2024
Bharatiya Janata Party	165	105
Bharat Rashtra Samithi	-	100
Janasena Party	15	50
All India Congress Committee	-	120
Telugu Desam Party	70	130
Yuvajana Sramika Rythu Congress Party	100	30
Communist Party of India (Marxist)	10	13
Communist Party of India	2	5
Telangana Pradesh Congress Committee	-	25
Samruddha Odisha	1	-
	363	**578**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

29. Income-tax

(A) Components of Income-tax expenses

	For the year ended 31-03-2025	For the year ended 31-03-2024
(i) Tax expense recognised in profit and loss		
Current tax:		
Current year tax	4,297	3,148
Income-tax for earlier years	79	17
	4,376	**3,165**
Deferred tax charge/(credit) (net):		
Minimum Alternate Tax (MAT) credit recognition (Refer note 29 (D) and (E))	(844)	(5)
Origination and reversal of temporary differences	548	(308)
	(296)	**(313)**
Tax expense for the year	4,080	2,852
(ii) Tax recognised in other comprehensive income		
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit liability/(asset)	27	7
- Fair value change on Equity instruments through OCI	(6)	(8)
	21	**(1)**

(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% (31-03-2023: 34.944%) and the reported tax expense in the statement profit and loss are as follows:

	For the year ended 31-03-2025	For the year ended 31-03-2024
Profit before tax	22,914	16,735
Enacted tax rate in India*	34.944%	34.944%
Tax using the Holding Company's domestic tax rate	8,007	5,848
Tax effect of:		
Expense not deductible for tax purposes	92	47
Additional deduction allowed under Income-tax Act	(3,646)	(5,019)
Effect of change in tax laws and rate in jurisdictions outside India	119	(3)
MAT charge/ (utilisation) for the year	(32)	2,831
Business losses	(23)	(40)
Recognition of MAT credit	(844)	(5)
Tax pertaining to earlier years	79	17
Other timing differences	328	(824)
Income tax expense	**4,080**	**2,852**

*The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated by the President of India on 20 September 2019. The Ordinance has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to a domestic company in India to pay income tax at reduced rate of 22% plus applicable surcharge and cess subject to certain conditions. The Holding Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax credit.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(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 31-03-2025	As at 31-03-2024
Deferred tax assets/(liabilities):		
Minimum Alternate Tax*	2,146	1,302
Business losses	56	91
Trade receivables	342	446
Property, plant and equipment (including right of use assets)	(2,460)	(2,087)
Lease liabilities	5	9
Provision for employee benefits	298	347
Investments	79	54
Others	33	30
	499	**192**

* 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 01-04-2024	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**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

The details of movement in deferred tax assets and liabilities for the year ended 31 March 2024:

	As at 01-04-2023	Recognised in profit and loss (including exchange differences on translation of foreign operations)	Recognised in OCI	As at 31-03-2024
Deferred tax assets/(liabilities):				
Minimum Alternate Tax	1,297	5	-	1,302
Business losses	131	(40)	-	91
Trade receivables	85	361	-	446
Property, plant and equipment (including right of use assets)	(2,054)	(33)	-	(2,087)
Lease liabilities	4	5	-	9
Provision for employee benefits	407	(67)	7	347
Investments	(28)	90	(8)	54
Others	34	(4)	-	30
Net deferred tax assets/(liabilities)	**(124)**	**317**	**(1)**	**192**

(E) Unrecognised deferred tax assets

	As at 31-03-2025	As at 31-03-2024
Unrecognised MAT credit entitlement	2,564	3,285
	2,564	**3,285**

The Group did not recognise deferred tax assets of ₹ 2,564, primarily on MAT credit entitlement, because of it is 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. The above MAT credit expires at various dates ranging from Assesment 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 2025 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.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

30. Earnings per share (EPS)

	For the year ended 31-03-2025	For the year ended 31-03-2024
Earnings:		
Profit for the year attributable to equity shareholders (a)	**18,854**	**13,883**
Shares:		
Number of equity shares at the beginning of the year	17,91,09,870	18,24,70,115
Weighted average number of equity shares bought back during the year	-	(29,74,504)
Weighted average number of equity shares – Basic (b)	**17,91,09,870**	**17,94,95,611**
Dilutive effect of potential equity shares	-	-
Weighted average number of equity shares – Diluted (c)	**17,91,09,870**	**17,94,95,611**
Earnings per equity share (Face Value of ₹ 2/- each):		
Basic (in ₹) (a/b)	105.26	77.34
Diluted (in ₹) (a/c)	105.26	77.34

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 31-03-2025

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					
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	**-**	**-**	**-**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

As at 31-03-2024

Particulars	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
A. Financials assets					
Financial assets measured at FVTOCI					
Non-current investments	7	959	-	-	959
Current investments	7	546	546	-	-
Financial assets measured at amortised cost					
Current investments	7	3,889	-	-	-
Loans	8	90	-	-	-
Trade receivables	12	11,889	-	-	-
Cash and cash equivalents	13	704	-	-	-
Bank balances other than cash and cash equivalents	13	8,825	-	-	-
Other financial assets	9	4,967	-	-	-
		31,869	**546**	**-**	**959**
B. Financials liabilities					
Financial liabilities measured at amortised cost					
Borrowings	16	3,632	-	-	-
Lease liabilities	17	80	-	-	-
Trade payables	21	2,355	-	-	-
Other financial liabilities	18	1,061	-	-	-
		7,128	**-**	**-**	**-**

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.

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 external 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 significant unobservable inputs involved are primarily growth rate, discount rate and terminal growth rate. The relationship of significant unobservable value and fair value is as follows:

the estimated fair value will increase/(decrease) if the expected growth rate and terminal rate increases/(decreases);

the estimated fair value will (decrease)/increase if the expected discount rate increases/(decreases)

Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice versa in FY 2024-25 and no transfers in either direction in FY 2023-24.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Change in level 3 fair values

	Unquoted FVTOCI Equity investments	
	31-03-2025	31-03-2024
Opening balance	959	873
Additions/(Deletions) during the year	(26)	86
Net change in fair value (recognised in FVTOCI) (unrealised) (unrealised)	(186)	-
Closing balance	**747**	**959**

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.

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:

Particulars	As at 31-03-2025	As at 31-03-2024
Fixed rate instruments		
Financial assets	28,424	16,934
Variable rate instruments		
Financial liabilities (other than lease liability)	2,731	3,632

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Sensitivity

Particulars	Impact on profit and loss	
	31-03-2025	31-03-2024
1% increase in interest rate	(27)	(36)
1% decrease in interest rate	27	36

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:

	31-03-2025				
	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

	31-03-2024				
	Trade receivables*	Other bank balances	Borrowings*	Other financial liabilities	Trade payables
- USD	8,564	283	968	19	93
- EUR	78	-	43	4	5
- CAD	55	-	5	-	-
- CHF	-	-	-	1	-
- AUD	77	-	-	-	-
- GBP	5	-	5	-	-
- SGD	28	-	-	-	-

* Includes bills discounted which are forming part of trade receivables and borrowings amounting to ₹ 1,579 (31-03-2024: ₹ 1,021). These are realised amounts and hence, there is no further foreign currency risk involved.

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(All amounts in ₹ millions, except share data and where otherwise stated)

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	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024
Sensitivity				
₹/USD - Appreciate by 10%	917	777	597	505
₹/EUR - Appreciate by 10%	(2)	3	(1)	2
₹/CAD - Appreciate by 10%	2	5	1	3
₹/CHF - Appreciate by 10%	(0)	(0)	(0)	(0)
₹/AUD - Appreciate by 10%	5	8	3	5
₹/GBP - Appreciate by 10%	-	-	-	-
₹/SGD - Appreciate by 10%	2	3	2	2
₹/USD - Depreciate by 10%	(917)	(777)	(597)	(505)
₹/EUR - Depreciate by 10%	2	(3)	1	(2)
₹/CAD - Depreciate by 10%	(2)	(5)	(1)	(3)
₹/CHF - Depreciate by 10%	0	0	0	0
₹/AUD - Depreciate by 10%	(5)	(8)	(3)	(5)
₹/SGD - Depreciate by 10%	(2)	(3)	(2)	(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 31-03-2025	For the year ended 31-03-2024
Impairment loss on trade receivables and other receivables	11	98

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(All amounts in ₹ millions, except share data and where otherwise stated)

The maximum exposure to credit risk for trade receivables (Gross) by geographic region is as follows:

	As at 31-03-2025	As at 31-03-2024
India	1,306	2,091
USA	532	947
Rest of the world	2,290	1,695
	4,128	**4,733**

The above exposure does not include unbilled revenue.

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	47%	9	4	4
More than 3 years	50%	2	1	1
Total		**12,663**	**197**	**197**

The exposure to credit risk and ECLs for trade receivables as at 31-03-2024

	Weighted average loss rate	Gross Carrying amount	Loss allowance	Credit impaired
Unbilled	0%	7,156	-	-
Not due	1%	3,844	47	47
Less than 6 months	5%	959	52	52
6 months to 1 year	62%	73	45	45
1-2 years	100%	9	9	9
2-3 years	100%	18	18	18
More than 3 years	100%	26	26	26
Total		**12,086**	**197**	**197**

Movement in allowance for credit losses

	As at 31-03-2025	As at 31-03-2024
Balance at the beginning of the year	197	150
Net remeasurement of loss allowance	11	98
Amount written off during the year	(11)	(51)
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.

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(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. The Group has no long-term borrowings and believes that the working capital is sufficient for its current requirements. Accordingly, no liquidity risk is perceived.

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 31-03-2025	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**

As at 31-03-2024	Carrying value	Up to 1 year	From 1 to 3 years	More than 3 years	Total
Financial liabilities					
Borrowings	3,632	3,632	-	-	3,632
Lease liabilities	80	31	32	403	466
Trade payables	2,355	2,355	-	-	2,355
Other financial liabilities	1,061	1,021	40	-	1,061
Total	**7,128**	**7,039**	**72**	**403**	**7,514**

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 31-03-2025	As at 31-03-2024
Total borrowings	2,731	3,632
Less: Cash and cash equivalents	(1,200)	(704)
Net debt [A]	**1,531**	**2,928**
Total equity [B]	76,070	58,531
Total capital [C=A+B]	**77,601**	**61,459**
Gearing ratio (%) [A/C]	2%	5%

34. Corporate social responsibility (CSR) expenses

	For the year ended 31-03-2025	For the year ended 31-03-2024
(a) Amount required to be spent by the Company during the year	159	79
(b) Amount spent during the year:		
(i) Construction or acquistion of any asset	-	-
(ii) On purpose other than (i) above	151	142
(c) Shortfall at the end of the year	8	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Refer note 1	Not applicable
(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	151	82
(g) Details of related party transactions		
(i) NATCO Trust	112	79
(h) Provision made with respect to a liability through contractual obligation	8	-
(i) Details of unspent obligations	8	-
(j) Amount approved by Board of Directors	159	101

Note 1: The unspent obligation as at 31 March 2025 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. Key management personnel ("KMP")	
Chairman	Mr. Sreerama Murthy Gubbala (upto 31-03-2024)
Managing Director	Mr. V C Nannapaneni
Chairman and 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
Company Secretary	Mr. Venkat Ramesh Chekuri
3. Non-Executive Directors and Independent Directors	
Independent Director	Mr. Sreerama Murthy Gubbala (upto 31-03-2024)
Independent Director	Mr. Govinda Prasad Dasu (upto 31-03-2024)
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	
	31-03-2025	31-03-2024
Time Cap Pharma Labs Private Limited		
Rental expense	7	7
NATCO Trust		
Donations	-	5
Rental income	0	0
Contribution to corporate social responsibility activities	112	79
Mr. V.C. Nannapaneni		
Managerial remuneration*	23	23
Leave encashment paid	1	1
Gratuity expense	-	-
Compensated absences expense	1	0
Rental expenses	3	3
Commission	75	75

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended	
	31-03-2025	31-03-2024
Mr. Rajeev Nannapaneni		
Managerial remuneration*	21	21
Leave encashment paid	1	1
Gratuity expense	0	0
Compensated absences expense	1	0
Rental expenses	3	3
Commission	75	75
Mr. Potluri Prasad Sivaramakrishna		
Managerial remuneration*	20	19
Leave encashment paid	1	1
Gratuity expense	0	0
Compensated absences expense	1	0
Mr. Lingarao Donthineni		
Managerial remuneration*	39	32
Leave encashment paid	1	1
Gratuity expense	0	0
Compensated absences expense	1	0
Interest income	-	1
Repayment of loan given including interest	-	23
Dr. Pavan Bhat Ganapati		
Managerial remuneration*	37	31
Leave encashment paid	4	1
Gratuity expense	0	0
Compensated absences expense	0	-
Mr. S.V.V.N. Appa Rao		
Remuneration*	14	13
Leave encashment paid	0	0
Gratuity expense	0	0
Compensated absences expense	0	0
Mr. Venkat Ramesh Chekuri		
Remuneration*	3	3
Leave encashment paid	-	-
Gratuity expense	0	0
Compensated absences expense	0	0
Sitting fees		
Mr. Govinda Prasad Dasu	-	0
Mrs. Leela Digumarti	0	0
Mr. Umamaheshwarrao Naidu Madireddi	0	0
Mr. Sreerama Murthy Gubbala	-	1
Mr. Venkateswara Rao Thallapaka	0	1
Mr. Nitin Jain	0	-
Mrs. Kantipudi Suma	0	-
Mr. D Vijaya Bhaskar	1	-
Mr. A D M Chavali	1	-
Mr. B Lakshminarayana	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	
	31-03-2025	31-03-2024
Rent Payable		
Mr. V.C. Nannapaneni	(0)	(0)
Mr. Rajeev Nannapaneni	(0)	(0)
Time Cap Pharma Labs Private Limited	(1)	(1)
Remuneration payable		
Mr. V.C. Nannapaneni	(0)	(0)
Mr. Rajeev Nannapaneni	(0)	(0)
Mr. Lingarao Donthineni	(1)	(5)
Mr. Potluri Prasad Sivaramakrishna	(1)	(1)
Dr. Pavan Bhat Ganapati	(2)	(6)
Mr. S.V.N.N. Appa Rao	(0)	(2)
Mr.Venkat Ramesh Chekuri	(0)	(0)
Commission payable		
Mr. V.C. Nannapaneni	(75)	(75)
Mr. Rajeev Nannapaneni	(75)	(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 6 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

Information about reportable segments

	For the year ended 31-03-2025	For the year ended 31-03-2024
I. Segment revenue		
a. Pharmaceuticals	43,689	38,905
b. Agro chemicals	606	1,083
	44,295	**39,988**
Add: Unallocated	-	-
Total revenue from operations	**44,295**	**39,988**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

	For the year ended 31-03-2025	For the year ended 31-03-2024
II. Segment results		
a. Pharmaceuticals	24,611	17,523
b. Agro chemicals*	(1,458)	(596)
Total segment result	**23,153**	**16,927**
Less:		
a. Finance cost	(239)	(192)
b. Net unallocated (income)/expenditure	-	-
Total profit before tax	**22,914**	**16,735**

*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.

	As at 31-03-2025	As at 31-03-2024
III. Segment assets		
a. Pharmaceuticals	53,994	45,650
b. Agro chemicals	2,712	4,238
Total segment assets	**56,706**	**49,888**
Add: Unallocated	29,602	19,175
Total assets	**86,308**	**69,063**
IV. Segment liabilities		
a. Pharmaceuticals	6,320	5,807
b. Agro chemicals	314	588
Total segment liabilities	**6,634**	**6,395**
Add: Unallocated	3,551	4,137
Total liabilities	**10,185**	**10,532**

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 31-03-2025	For the year ended 31-03-2024
India	5,669	5,876
USA	31,487	28,048
Rest of the world	7,139	6,064
	44,295	**39,988**

ii. Non-current assets*

	As at 31-03-2025	As at 31-03-2024
India	27,429	24,207
USA	1,586	1,836
Rest of the world	219	238
	29,234	**26,281**

* Non-current assets for this purpose consist of property, plant and equipment, goodwill, Capital work-in-progress and intangible assets.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

iii. Major customers

The Group has one customer who contributed more than 10% of the Group's total revenue during the current year and previous year. The revenue from such major customer(s) during the year is ₹ 26,862 (31-03-2024: ₹18,283) and the outstanding amount as at 31-03-2025 amounts to ₹ 7,308 (31-03-2024: ₹6,409).

37. Contingent liabilities and commitments

(a) Commitments

	As at	
	31-03-2025	**31-03-2024**
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 ₹ 200 (31-03-2024: ₹231)	379	490
Pending export obligation under EPCG Scheme	15	11
Other commitment (refer Note - 1 below)	83	83

Note 1:

The Holding Company has an outstanding commitment of investment for an amount of ₹ 83 (31-03-2024: ₹ 83) in Cellogen Therapeutics Pvt Ltd as at 31-03-2025.

(b) Contingent liabilities

(i) Matters under appeals with tax authorities:

	As at	
	31-03-2025	**31-03-2024**
Disputed Income tax liabilities	24	-
Disputed indirect tax liabilities	6	4

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.

(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.

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

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	
	31-03-2025	31-03-2024
Opening balance	**1,373**	**643**
Costs incurred towards construction activity	2,809	1,751
Capitalised during the year	(1,928)	(1,021)
Closing balance	**2,254**	**1,373**

b) Capital work-in-progress ageing schedule

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

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 (*)	1,243	80	34	16	1,373

(*) 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 31-03-2025 and 31-03-2024.

40. Leases

Movement in lease liabilities

	As at	
	31-03-2025	31-03-2024
Balance at the beginning	80	17
Additions	8	83
Deletions	-	(9)
Interest expenses	8	11
Repayment of principal and interest on lease liabilities	(34)	(22)
Foreign exchange changes	1	-
Balance at the end	**63**	**80**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Undiscounted contractual maturities of lease liabilities

	As at	
	31-03-2025	31-03-2024
Less than one year	21	31
One to five years	47	57
More than five years	375	378
	443	**466**

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	
	31-03-2025	31-03-2024
Expense relating to short-term leases (refer note 28)	46	59
	46	**59**

Amounts recognised in the standalone statement of profit and loss

	For the year ended	
	31-03-2025	31-03-2024
Depreciation on right of use asset	32	22
Interest expense	8	11
	40	**33**

Amounts recognised in the standalone statement of cash flows

	For the year ended	
	31-03-2025	31-03-2024
Payment of lease liabilities	(34)	(22)
Expense relating to short-term leases (refer note 28)	(46)	(59)
	(80)	**(81)**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

Details of Right of use of Assets

	Land	Buildings	Vehicles	Total
A. Cost or Deemed cost (Gross carrying amount)				
As at 01-04-2023	382	59	9	450
Additions	-	83	-	83
Disposals	(27)	(3)	-	(30)
Exchange differences on translation of foreign operations	-	-	-	-
Balance as at 31-03-2024	**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**
B. Accumulated depreciation				
As at 01-04-2023	26	6	7	39
Charge for the year	5	17	1	22
Disposals	(3)	(6)	-	(9)
Exchange differences on translation of foreign operations	-	-	-	-
Balance as at 31-03-2024	**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**
C. Net carrying amounts (A-B)				
As at 31-03-2024	**328**	**122**	**1**	**451**
As at 31-03-2025	**325**	**97**	**-**	**422**

41. 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 31-03-2025

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	98%	18,504	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	3%	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%	-	0%	(21)
NATCO Pharma Colombia S.A.S	0%	4	0%	(1)	0%	-	0%	(1)
Non-controlling interests								
PT.NATCO Lotus Farma	0%	(53)	0%	(20)	0%	-	0%	(20)
Adjustment arising out of consolidation	(7%)	(5,220)	0%	4	86%	(206)	(1%)	(202)
Total	**100%**	**76,070**	**100%**	**18,834**	**100%**	**(240)**	**100%**	**18,594**

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

For the year ended 31-03-2024

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%	55,922	94%	13,069	51%	76	94%	13,145
Foreign subsidiaries								
NATCO Pharma Inc.	5%	2,658	(2%)	(251)	0%	-	(2%)	(251)
NATCO Lifesciences Philippines Inc.	0%	59	0%	10	0%	-	0%	10
Time Cap Overseas Limited	2%	1,084	2%	257	0%	-	2%	257
NATCO Pharma (Canada), Inc.	6%	3,637	4%	594	0%	-	4%	594
NATCO Pharma Asia Pte. Ltd.	0%	198	0%	27	0%	-	0%	27
NATCO Pharma Australia PTY Ltd.	0%	4	0%	(5)	0%	-	0%	(5)
NATCO Pharma UK Limited	0%	84	0%	(44)	0%	-	0%	(44)
Non-controlling interests								
Adjustment arising out of consolidation	(9%)	(5,115)	2%	226	49%	73	2%	299
Total	**100%**	**58,531**	**100%**	**13,883**	**100%**	**149**	**100%**	**14,032**

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.

42. 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	Balances as at 31 March 2025
Astral Auto Parts Pvt Ltd	Shares held by struck off company	800 Shares	Shareholder
Dreams Broking Pvt Ltd	Shares held by struck off company	5 Shares	Shareholder
Jannhavi Investment Private Limited	Shares held by struck off company	118 Shares	Shareholder
Lustre Industries Private Limited	Shares held by struck off company	11,800 Shares	Shareholder
Puneet Securities Private Limited	Shares held by struck off company	1,600 Shares	Shareholder
Robert Resources Limited	Shares held by struck off company	600 Shares	Shareholder
S3 Solutions Private Limited	Shares held by struck off company	411 Shares	Shareholder
Vaishak Shares Limited	Shares held by struck off company	5 Shares	Shareholder
Rishiroop Polymers Private Limited	Shares held by struck off company	1,400 Shares	Shareholder

Notes to consolidated Financial Statements

(All amounts in ₹ millions, except share data and where otherwise stated)

(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.

(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 ₹ 3,235 (31-03-2024:₹ 2,541).

(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 31-03-2025 and as at 31-03-2024 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

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: 28 May 2025

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

S V V N Appa Rao
Chief Financial Officer

Place: Hyderabad
Date: 28 May 2025

Notice to Members

Notice is hereby given that the 42nd Annual General Meeting of the members of the Company will be held on Thursday, the 25th day of September, 2025 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 2024-25**

   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, 2025, together with the reports of Board of Directors, and the Auditors and other reports thereon.

2. **To confirm three interim dividends aggregating to ₹6.00 per share paid on equity shares during the Financial Year 2024-25 as dividend for the FY 2024-25.**

3. **Re-appointment of Sri Rajeev Nannapaneni (DIN: 00183872) 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 Rajeev Nannapaneni (DIN: 00183872) 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. **Appointment of Secretarial Auditors**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and 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, as recommended by the Audit Committee and the Board of Directors of the Company, consent of the members be and is hereby accorded to appoint CS Kiran Kumar Bodla, Proprietor of M/s. BK & Associates, Company Secretary in Practice having FCS No.11093, CP No.15876, Peer Review No. 6428/2025 as Secretarial Auditors of the Company for a term of 5 (five) consecutive years i.e., from the Financial Year 2025-26 to 2029-30 at a remuneration of ₹2,50,000 (Rupees Two Lakhs Fifty Thousand only) per annum.

   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 or delegate to any Director(s) or any other Officer(s) of the Company for obtaining permissions and approvals, if any, in this connection."

5. **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, 2026, 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."

6. **Borrowing Powers of the Company under Section 180(1)(c) of the Companies Act, 2013**

   To consider and if thought fit to pass with or without modifications, the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 180(1)(c), and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under, as may be amended, from time to time, including any statutory modification(s) or re-enactment thereof, for the time being in force and Articles of Association of the Company and in supersession of the earlier resolution passed in this regard, the consent of the members of the Company be and is hereby accorded to the Board of Directors and/or any Committee thereof to borrow at its discretion, either from the Company's Bankers or any other Indian or Foreign Bank(s), Financial Institution(s) and / or any other Lending Institutions or persons from time to time such that the sum(s) of money(s) and the sum(s) to be borrowed for the purpose of Company's business together with the money(s) already borrowed by the Company (apart from temporary loans obtained or working capital arrangements obtained or to be obtained from the Company's bankers in the ordinary course of business) on such terms and conditions as they may think fit and necessary in the best interest of the Company, up to an amount of ₹1,000 Crores (Rupees One Thousand Crores only) over and above the aggregate of paid-up capital and free reserves and securities premium of the Company at any time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, Board be and is hereby authorised to negotiate and decide terms and conditions of such borrowings and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee with power(s) to the said Committee to sub-delegate its powers to any of its members."

7. Creation of Charge(s) on the movable and immovable properties of the Company, both present and future, in respect of borrowings under Section 180 (1)(a) of the Companies Act, 2013

To consider and if thought fit to pass with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under as may be amended, from time to time and Articles of Association of the Company and in supersession of the Resolution passed earlier, the consent of the members of the Company be and is hereby accorded to the Board of Directors and/or any Committee thereof to create such charge(s), mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future or the whole or substantially the whole of the undertaking(s), and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events, 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, provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge(s) are to be created, shall be within the overall borrowing powers delegated to the Board of Directors from time to time pursuant to section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members."

8. To increase the Authorized Share Capital of the Company and consequent alteration to the Capital Clause of the Memorandum of Association

To consider and if thought fit to pass with or without modifications, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provisions of Sections 13, 61 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to increase 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/- (Rupees Two only) each to ₹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/- (Rupees Two only) each and consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following as Clause V:

"V. The Authorised Share Capital of the Company is ₹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/-(Rupees two only) each with power to increase, reduce, reorganize, consolidate, divide and/ or sub-divide the share capital and re-classify them into several classes and attach thereto respectively, such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return of capital, distribution of assets or otherwise, as may be determined in accordance with the laws, rules, regulations or resolutions of the Company or provided for in the Articles of Associations of the Company."

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."

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

Venkat Ramesh Chekuri
Company Secretary and
Compliance Officer
(ACS: 41964)

Date: August 12, 2025
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 (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 businesses 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 42nd AGM along with the Annual Report for the FY 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the 42nd AGM Notice and Annual Report for the FY 2024-25 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. Voting through electronic means

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 19, 2025 ("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 Monday, the September 22, 2025 and ends at 5.00 p.m. (IST) on Wednesday, the September 24, 2025. 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, the September 19, 2025, 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, the September 19, 2025 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, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **“Beneficial Owner”** icon under “**Login**” which is available under ‘**IDeAS**’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **“Access to e-Voting”** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **“Register Online for IDeAS Portal”** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then 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 Monday, the September 22, 2025 (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.

4. 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for members for e-Voting on the day of the AGM are as under:

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:

1) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see 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.

2) Members are encouraged to join the Meeting through Laptops for better experience.

3) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

15. Brief profile of the Director seeking re-appointment at the Annual General Meeting:

Name of the Director	Rajeev Nannapaneni
Category	Vice Chairman & CEO
DIN	00183872
Birth date and Age	June 22, 1977 and 48 years
Qualifications	BA (Quantitative Economics) & B.A. (History)
Past experience(s)	Worked with (a) Merrill Lynch financial services, USA (b) Natco Systems LLC, USA
Date of first appointment as Director(s)	November 30, 2005
Nature of Appointment	Re-appointment pursuant to Director liable to retire by rotation
Tenure of Appointment	NA
Percentage of shares held	0.60
No. of board meetings attended out of 4 (Four) meetings held	4 (Four)
Remuneration drawn by the Director(s) for Financial Year 2024-25	₹97.82 Million
Relationship with other directors or KMP of the Company	Son of Sri V.C. Nannapaneni
Directorship in other Companies	1. Natco Aqua Limited 2. Natsoft Information Systems Private Limited 3. NATCO Foundation 4. LVP Eye Innovations Foundation
Membership/ Chairmanship of Committees of other Boards	Nil

Explanatory statement

(Pursuant to Section 102(1) of the Companies Act, 2013)

ITEM NO. 4

Appointment of Secretarial Auditors

Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015 read with SEBI notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, the Audit Committee and the Board of Directors at their meetings held on May 28, 2025 have approved and recommended the appointment of CS Kiran Kumar Bodla, Proprietor of M/s. BK & Associates, Company Secretary in Practice having FCS No.11093, CP No.15876, Peer Review No. 6428/2025 as Secretarial Auditors of the Company to hold office for a term of five consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30, which is subject to approval of the shareholders of the Company.

M/s. BK & Associates, Company Secretaries is a Hyderabad-based Peer Reviewed Firm with over a decade of experience in providing end-to-end corporate, legal, financial, and regulatory advisory services. The firm specializes in Company Law, FEMA (FDI, OI, ECB), SEBI Laws, FCRA, M&A, CSR, CSR Impact Assessment and startup advisory. It serves a diverse clientele including corporates, non-profits, and overseas investors with practical, compliant, and value-driven solutions. The firm is led by CS Kiran Kumar Bodla [BBA, LL.M (JGLS), FCS, DARB (ICSI), PGDAM (MNLU)] and a team of professionals with strong regulatory expertise and sectoral experience. The Firm has been Peer Reviewed and Quality Reviewed by the Institute of Company Secretaries of India (ICSI) (Peer Review No.: 6428/2025), ensuring adherence to the professional standards specified by ICSI.

M/s. BK & Associates, Company Secretaries have given their consent to act as Secretarial Auditors of the Company and confirmed that their appointment, if made, would be within the limits specified under SEBI (LODR) Regulations, 2015. They have further confirmed that they are not disqualified and are eligible to be appointed as Secretarial Auditors of the Company in terms of the provisions of the SEBI (LODR) Regulations, 2015. They have further confirmed that they are not disqualified and are eligible to be appointed as Secretarial Auditors of the Company. They have also confirmed their independence and the services to be rendered by them as Secretarial Auditors is within the purview of the said regulation read with SEBI circular no. SEBI/ HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

The proposed fee in connection with Secretarial Audit shall be ₹2,50,000 (Rupees Two Lakhs Fifty Thousand only) per annum plus applicable taxes and other out-of-pocket expenses for FY 2025-26. For subsequent year(s) of their term, the secretarial audit fees shall be as mutually agreed between the Board of Directors and the Secretarial Auditor of the Company. The proposed recommendation for appointment and fees is based on eligibility, knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial Auditor for conducting the said Audit.

M/s. BK & Associates, Company Secretaries shall provide such other services in the nature of permitted professional work(s), as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee as mutually agreed with the Secretarial Auditors.

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 members by way of Ordinary Resolution.

ITEM NO. 5

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, 2026.

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, 2026.

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.5 of the notice for approval of the member by way of ordinary resolution.

ITEM NO. 6

Borrowing Powers of the Company under Section 180(1)(c) of the Companies Act, 2013

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting by passing a Special Resolution, borrow monies in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business).

Taking into consideration the Company growth plans it may require funding for its capital expenditure, ongoing expansion plans, and modernization of its plant facilities to tap the emerging business opportunities or inorganic opportunities to accelerate the growth. Hence it is proposed to have the borrowing limits up to an amount of ₹1,000 Crores (Rupees One Thousand Crores only) over and above the aggregate of paid-up capital and free reserves and securities premium of the Company at any time.

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.6 of the notice for approval of the members by way of special resolution.

ITEM NO. 7

Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings under Section 180(1)(a) of the Companies Act, 2013

As the borrowing limit of Section 180(1)(c) is sought to be enhanced, it is proposed to seek the consent of the members of the Company in terms of Section 180(1)(a) of the Companies Act, 2013 to hypothecate/mortgage/pledge and/or create charge on all or any immovable and movable properties of the Company both present and future or the whole or substantially the whole of the undertaking(s) of the Company as and when necessary to secure the borrowings from time to time, within the overall ceiling approved by the Members of the Company, in terms of Section 180(1)(c) of the Companies Act, 2013.

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.7 of the notice for approval of the members by way of Special Resolution.

ITEM NO. 8

To increase the Authorized Share Capital of the Company and consequent alteration to the Capital Clause of the Memorandum of Association

Presently, the Authorised Share Capital of the Company is ₹40,00,00,000/- (Rupees Forty Crore only) divided into 20,00,00,000 (Twenty Crore) equity shares of ₹2/- (Rupees Two only) each, it is sought to increase it to ₹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/- (Rupees Two only).

Taking into consideration the Company growth plans it may require funding for its capital expenditure, ongoing expansion plans, and modernization of its plant facilities to tap the emerging business opportunities or inorganic opportunities to accelerate the growth. Hence it is proposed to increase the Authorised Share Capital of the Company, incase of any future requirements, if any.

The increase in the Authorised Share Capital as aforesaid would require consequential alteration to the existing Clause V of the Memorandum of Association of the Company.

The increase in the Authorised Share Capital and consequential alteration to Clause V of the Memorandum of Association of the Company requires members' approval in terms of Sections 13 and 61 of the Companies Act, 2013. Accordingly, the Board seeks the approval of the Members of the Company to increase in the Authorised Share Capital and consequential alteration to the existing Clause V of the Memorandum of Association of the Company.

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.8 of the notice for approval of the members by way of ordinary Resolution.

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

Venkat Ramesh Chekuri
Company Secretary and
Compliance Officer
(ACS: 41964)

Date: August 12, 2025
Place: Hyderabad

Notes

NATCO PHARMA LIMITED

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