

ADVANCING
TRUST
THROUGH
EXECUTION EXCELLENCE

2025-26

INTEGRATED ANNUAL REPORT

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Forward-looking Statements

Certain statements in the Report are forward-looking. These include statements other than historical facts, including those on financial position, business strategy, management plans and objectives for future operations. Such statements include words such as 'believes', 'expects', 'may', 'will', 'plans', 'outlook' etc. regarding future operational/financial performance. These are based on reasonable assumptions/data/that may be incorrect/ imprecise and, not intended to be a guarantee of future. Actual results could differ materially due to various factors. We neither assume any obligation nor intend to update/ revise any forward-looking statements, as a result of new information/future events or otherwise.

03 Financial Statements

270	Standalone Financial Statements
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www.neulandlabs.com



Scan the QR code to know more about us

Advancing TRUST through Execution Excellence

Anchored in the Neuland Promise: Quality. Safety. Sustainability.

Our journey has been shaped by a strong and enduring foundation. These principles have consistently guided how the organisation operates, makes decisions and creates long-term value, ensuring that growth is pursued with responsibility, reliability and discipline.

Over the past few years, this foundation has been strengthened through transformation, growth and resilience, as we expanded our scientific depth, enhanced capabilities and strengthened our operating systems to perform in an increasingly complex global environment.

FY 2025-26 marked an important progression in this journey. It is reflecting the translation of capability into confidence through predictable, high-quality execution. Across the organisation, execution is becoming the bridge between our promise and our performance, demonstrating not only what Neuland is capable of doing, but also how consistently and reliably it is delivering.

For Neuland, execution excellence is not only about delivering on time. It is about understanding customer needs, communicating with transparency, committing with clarity and delivering with consistency. During the year, this approach was supported by sharper project discipline,

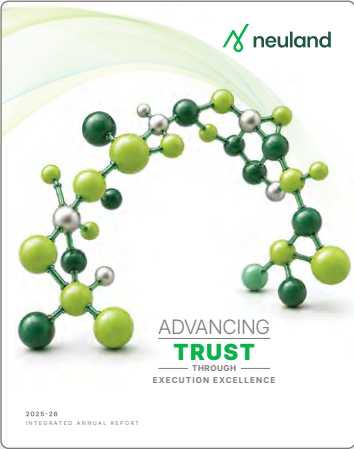
digital enablement, audit-readiness and a continued focus on right first time delivery across quality, timelines and compliance.

It was also reflected in the way we approached safety and sustainability, not as parallel priorities, but as integral to responsible execution. From resource efficiency and risk awareness to stronger governance and long-term resilience, we continued embedding these principles into execution at scale.

The theme, Advancing Trust Through Execution Excellence, captures this evolution. It recognises that trust is earned through repeatable performance, responsible decisions and validated outcomes.

As Neuland moves ahead, our focus remains on strengthening this trust every day by executing with discipline, scaling with confidence and growing without compromising on quality, safety or sustainability.

About the Report



Neuland Laboratories Limited presents its third Integrated Annual Report for the year ended March 31, 2026. This report aims to provide a balanced view on how we navigated the macro-economic environment, demonstrating the management's efforts to embed execution excellence while creating value over the short, medium and long-term. In addition to the financial statements and annual statutory reports, it provides an integrated view of our strategy, governance, performance and outlook, along with our environmental, social and governance (ESG) priorities and progress.

Reporting Scope and Boundaries

This report covers the period from April 1, 2025 to March 31, 2026 and includes material events up to the Board approval date of May 12, 2026.

It presents our performance across the six capitals. Unless stated otherwise, information covers our global operations and reflects our environmental, economic and social commitments and performance across all five Company locations during FY 2025-26. As the difference between standalone and consolidated financials is negligible, information is presented on a standalone basis except where specifically mentioned. Any updates to previously reported ESG information have been restated in the relevant sections, along with reasons for the changes.

Reporting Guidelines and Frameworks

Our reporting is guided by the principles and content elements of the IFRS Foundation's Integrated Reporting Framework and with reference to the Global Reporting Initiative (GRI). The GRI Index at the end of the report provides references to where disclosures are addressed and, where not disclosed, explains the reasons.

In addition, this report aligns with the UN Global Compact (UNGC) and the United Nations Sustainable Development Goals (SDGs).

Financial and statutory disclosures have been prepared in accordance with the Companies Act, 2013, Indian Accounting Standards,

Secretarial Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable laws and regulations.

Materiality

FY 2025-26 marks Neuland's first year of applying a double materiality approach to inform disclosures in this Integrated Annual Report. Alongside financial materiality, we have also considered impact materiality to understand where our operations may have the most significant effects on people and the environment. While this is still being embedded, the intent is to use double materiality as a decision lens to sharpen prioritisation and strengthen alignment across KPIs, departmental goals and capital allocation beyond reporting compliance.

Responsibility Statement

The information and disclosures in this report have been reviewed internally by management. The Board believes that this report fairly presents the Company's financial, non-financial, sustainability and operational performance for FY 2025-26 and addresses material topics relevant to the Company. The Board acknowledges that the report has been prepared by the respective functions and businesses under the guidance of senior management.

Assurance

The financial information has been audited by M S K A & Associates LLP (Formerly known as M S K A & Associates), while M/s. P.S. Rao & Associates, Practising Company Secretaries, have reviewed compliance with applicable laws, regulations and procedures. BDO India Services Private Limited has provided 'Reasonable' assurance on the BRSR Core indicators and 'Limited' assurance on select non-financial information of the Integrated Annual Report detailed on the GRI Index.

Stakeholder Feedback

We consider stakeholder engagement a core input to how we refine priorities and improve performance. We welcome feedback, queries, and suggestions on this report and on our approach to long-term value creation. You can reach us at: ir@neulandlabs.com



Navigation Guide

This guide is intended to help readers locate key sections and follow cross-references across the report.

Six Capitals



Financial Capital

+ Read more on 68



Human Capital

+ Read more on 96



Manufactured Capital

+ Read more on 76



Social and Relationship Capital

+ Read more on 114 and 126



Intellectual Capital

+ Read more on 84



Natural Capital

+ Read more on 134

Strategic Priorities

- S1** Invest in new technologies valued by customers and differentiate vs peers
- S2** Operational excellence to enable world-class asset productivity and On-Time In-Full delivery
- S3** Trusted customer relationships built on delivery excellence and a deep understanding of needs
- S4** Digitise to enable transparency, compliance, speed of decision-making and ease of doing business
- S5** Build a world-class talent pipeline and employee value proposition to enable future growth
- S6** Human health leader within complex, niche, high-margin spaces

+ Read more on 62

Our Stakeholders

- Customers
- Employees and workers
- Board and committees of the Board
- Suppliers
- Government and regulators
- Investors and financial partners

Material Topics

Our material topics are detailed in the Materiality Assessment section

+ Read more on 40

and are shaped by inputs captured in the Stakeholder Engagement section

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UN SDGs referenced



ABOUT NEULAND LABORATORIES LIMITED

Built on Execution and Trust

Neuland Laboratories is a global **CDMO focussed on execution excellence**, supporting pharmaceutical and biotechnology companies with dependable API development and manufacturing across the product lifecycle. We partner with customers from early development through commercial supply, delivering **NCEs, advanced intermediates and APIs** across innovator and selected generic programmes.

Our operating model is designed for consistency, control and predictability. Integrated process development, scale-up and manufacturing capabilities, across small molecules and peptides, enable reliable progression of programmes across stages, volumes and regulatory environments. Strong governance, disciplined project execution and a safety-led culture underpin our ability to meet timelines, quality expectations and supply commitments.

Long-standing customer relationships are built on trust earned through timely delivery, a deep understanding of programme needs and consistent performance across development and commercial phases. ESG principles and responsible business practices are embedded in how we operate so that value creation remains aligned with long-term accountability and integrity.

Technology investments are focussed on strengthening manufacturing robustness, productivity and responsiveness, ensuring that innovation is applied where it enhances execution outcomes. Digital transformation initiatives are being advanced to improve visibility, streamline decision-making and support closer customer collaboration across development and supply interfaces.



Our Vision

We are creating a healthier world through sustainable practices, trusted partnerships, and agile collaboration.

Our Values

- Innovation**
Innovative in everything we do
- Transparency**
Transparent and open in our communication
- Agility**
Agile in our execution
- Accountability**
Accountable for our delivery
- Empathy**
Empathy in all our interactions

BUSINESS VERTICALS

Generic Drug Substances (GDS)
Manufacturing of generic, non-exclusive complex APIs

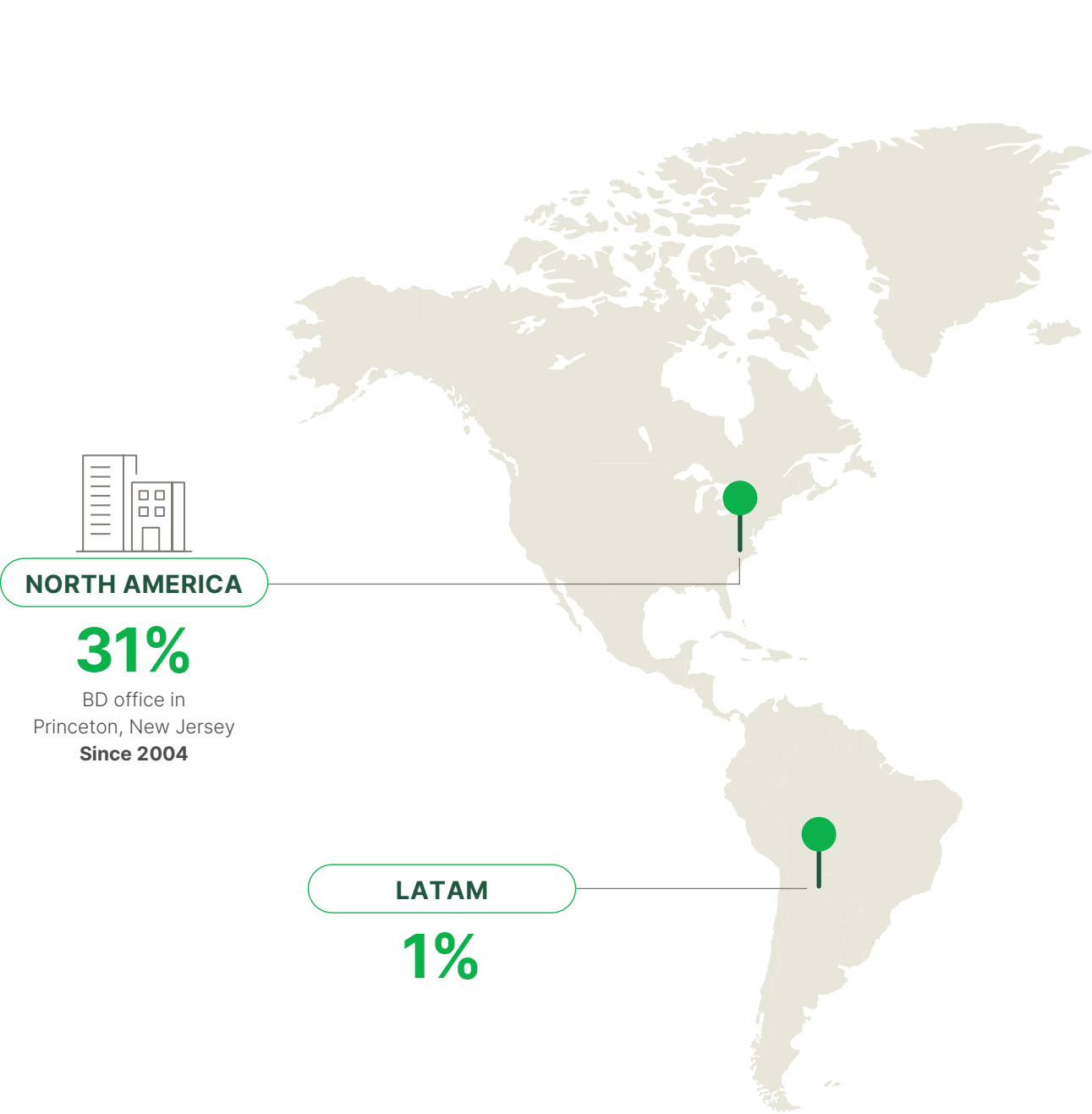
Custom Manufacturing Solutions (CMS)
Contract development and manufacturing of NCE APIs and advanced intermediates for innovators

Key Highlights

42+ Years of experience	3 US FDA and cGMP compliant manufacturing facilities	1,226 kL API manufacturing capacity	80+ Countries served
76% Revenue from exports	75 Active US DMF	1,000+ DMFs filed worldwide	300+ API processes developed
286 API patents filed	100+ APIs across...	2,131 Employees, including...	428 scientists in R&D
	10 diverse therapeutic areas		

GLOBAL PRESENCE

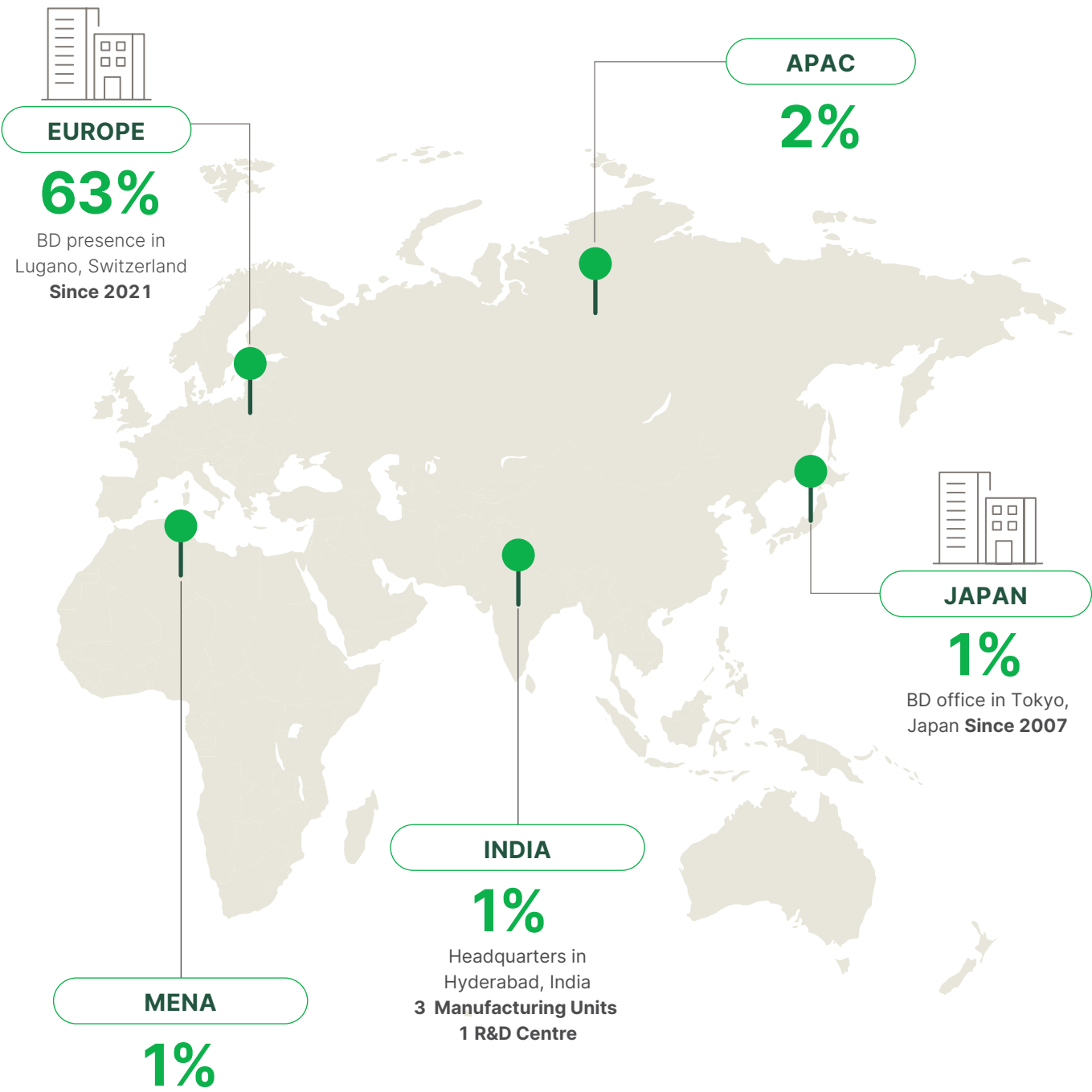
Global Reach, Trusted Relationships



Manufacturing and Development partner to customers in over

80 Countries

Based on FY 2025-26 End-Market revenues



Note: Map is an illustrative depiction, not to scale

APPROVALS AND ACCREDITATIONS

Trust backed
by Global Standards

Regulatory Filings



75
DMFs with the USFDA



33
Filings with Health Canada



10
Japanese DMF filed



17
DMF filed with China



26
Filings with KFDA Korea



28
Filings with TGA



289
ROW filings, including Turkey, Mexico, Brazil etc.



~499
EUDMF filings across Germany, France, Poland and Italy etc.



30
CEPs received for different products



1,000+
Filings till date

Note: The figures represent filings. Active filings may change over time due to consolidation of geographic filings and changes in the product portfolio.

Sustainability Affiliations
and Accreditations



United Nations
Global Compact



Global Reporting Initiative™



Five Star Occupational Health and Safety Audit





SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



SILVER | Top 15%
ecovadis
Sustainability Rating
MAR 2025

S&P Global
Ratings



BUSINESS SEGMENTS



Generic Drug Substances

Generic Drug Substances (GDS) represents the foundation of Neuland’s chemistry-led API business, bringing together deep scientific capability, scalable manufacturing and disciplined execution to deliver non-exclusive APIs across regulated markets.

Since inception, GDS has been integral to Neuland’s growth, supporting leading global generic pharmaceutical companies in making critical medicines more accessible and affordable.

Anchored in chemistry depth, regulatory rigour and execution reliability, the GDS business has built long-standing customer relationships in highly regulated markets. Our focus on robust processes, quality systems and consistent delivery enables customers to manage complexity, cost pressures and evolving regulatory expectations with confidence.

Portfolio Evolution: From Scale to Specialisation

GDS is steadily transitioning towards a higher value, more differentiated portfolio, reflecting a deliberate shift from large volume, mature molecules to Specialty APIs that are more complex and operate in markets with fewer competitors. This evolution is driven by our enhanced understanding of patients needs and Neuland’s expanding technical capabilities.

Prime APIs

continue to provide scale, stability and operating leverage, serving as a dependable backbone of the business.

Specialty APIs

reflect Neuland’s innovation-led execution, leveraging complex chemistry, process intensification and differentiated know how to support customers with challenging molecules and longer product life cycles.

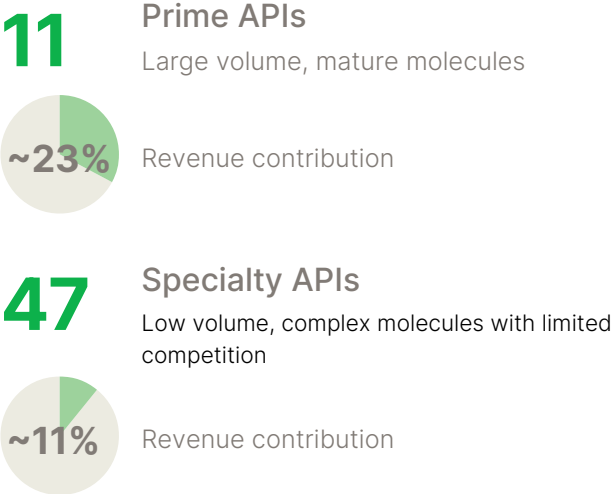
Our balanced portfolio of Prime & Specialty APIs allows GDS to combine resilience with value creation while progressively improving the quality of revenues.

Process Excellence as a Competitive Advantage

A key enabler of execution excellence within GDS is Neuland’s Process Improvement & Development (PID). PID plays a central role in driving continuous and sustainable process optimisation, improving yields, enhancing scalability, reducing solvent and energy intensity, and lowering total cost of ownership for customers.

Through systematic process innovation, Neuland has developed and optimised processes for over 100 APIs, strengthening a portfolio that spans a wide range of complex chemistries. This capability allows Neuland to move molecules efficiently from lab to plant, while maintaining quality and regulatory compliance at scale.

Segment Snapshot



(Portfolio composition reflects a strategic shift towards higher complexity and differentiation)

Our Edge: Innovation Delivered Through Execution



These strengths allow GDS to convert scientific capability into repeatable, compliant, and commercially reliable outcomes – where innovation is measured not just by novelty, but by execution at scale.

Generic Drug Substances

FY 2025-26 Highlights

In the Prime segment, **Ezetimibe and Mirtazapine** were key contributors

Specialty business performance was supported by **multiple products across therapy areas**

Two new DMFs filed, reinforcing pipeline depth and future revenue visibility

Future Focus

Looking ahead, the GDS business will continue to sharpen its focus on innovation-led execution, with priorities centred on:

Expanding the **Specialty API portfolio** with higher complexity, technology-differentiated molecules

Deepening engagement with **quality-conscious, long-term customers**

Leveraging PID and digital process insights to further enhance cost, efficiency, and sustainability

Through disciplined portfolio choices and consistent execution, GDS is positioned to evolve from a proven API supplier into a **future-ready, value-focussed platform**, aligned with Neuland’s long-term growth strategy.

BUSINESS SEGMENTS



Custom Manufacturing Solutions

For nearly two decades, Neuland’s Custom Manufacturing Solutions (CMS) business has partnered with pharmaceutical and biotech innovators to translate complex chemistry into **predictable, regulatory-ready supply**.

The CMS vertical combines deep scientific capability with disciplined execution, enabling customers to progress New Chemical Entity (NCE) programs efficiently from early development through to commercial manufacturing.

CMS engagements are executed on an exclusive basis, aligned to demanding technical specifications, stringent quality standards, and evolving global regulatory expectations. The business is anchored in strong project governance, execution discipline, and scalable infrastructure – ensuring innovation is delivered reliably.

Lifecycle Spanning CDMO Platform

CMS supports the full drug development lifecycle, from pre IND development and clinical supplies through to commercial scale manufacturing. The platform is particularly well suited to biotech customers, where molecules often require rapid scale-up, tight timelines, and early readiness for late stage regulatory and commercial requirements.

Neuland’s ability to integrate development, scale-up, and manufacturing, supported by efficient technology transfer, reduces execution risk and enhances delivery confidence as programs advance.

Execution Excellence Through Systems and Governance

Delivery predictability in CMS is reinforced through standardised execution across quality, safety, and project management, supported by ongoing digital enablement. Initiatives such as SAP transition and documentation digitalisation are strengthening institutional capability, improving traceability, and reducing delivery volatility across programs.

This disciplined operating model allows CMS to handle increasing program complexity while maintaining consistency across geographies, customers, and regulatory regimes.

CDMO Services

- Design and development of manufacturing processes
- Process optimisation and scale-up
- cGMP manufacturing of RSMs/KSMs/intermediates and APIs for clinical and commercial supply
- Regulatory support including IND and NDA filings
- Solid state characterisation and pre-formulation support

Specialised Chemistry Expertise

- Synthetic portion of fermented molecules
- Deuterated molecules
- Solution-phase, solid-phase and hybrid peptide technologies
- Cyanation, hydrogenation, bromination, cryogenic reactions
- Carbohydrate and heterocyclic chemistry
- Chiral compounds and organometallic carbon-carbon bond formation
- Cyclic and PEGylated peptide

These capabilities allow CMS to address complex molecular architectures while maintaining scalability, quality, and regulatory robustness.

Segment Snapshot

- 4** NDAs supported and approved
- 98** active CMS projects
- 27** IND filings supported

Our Edge - Innovation Executed at Scale

- 1

Chemistry-led development
Strong capability in complex development, process optimisation and scale-up across small molecules and peptides
- 2

Predictable delivery
Execution discipline across quality, safety and timelines, supported by standardised operating practices
- 3

Programme-scalable manufacturing
Programme-scalable manufacturing: Ability to support requirements from early development quantities through to commercial supply
- 4

Project management and regulatory support
Robust project governance and CMC documentation support for IND and NDA filings
- 5

Agile technology transfer
Efficient tech transfer with minimal lead time and strong readiness for scale-up and late-stage requirements
- 6

Operational standards
Globally-compliant systems supported by a strong EHS track record

Custom Manufacturing Solutions

FY 2025-26 Highlights

Continued capability maturation across CMS, peptides and complex chemistry

Improved predictability in scale-ups and customer delivery outcomes

Revenues driven by commercial-stage molecules

Growth in new project orders, expected to be delivered over the next financial year

Future Focus

CMS will continue to strengthen its position as a **partner of choice for innovators**, with priorities centred on:

Expanding differentiated capabilities in **complex chemistry and peptides**

Deepening engagement with biotech, mid-sized innovators and Big Pharma

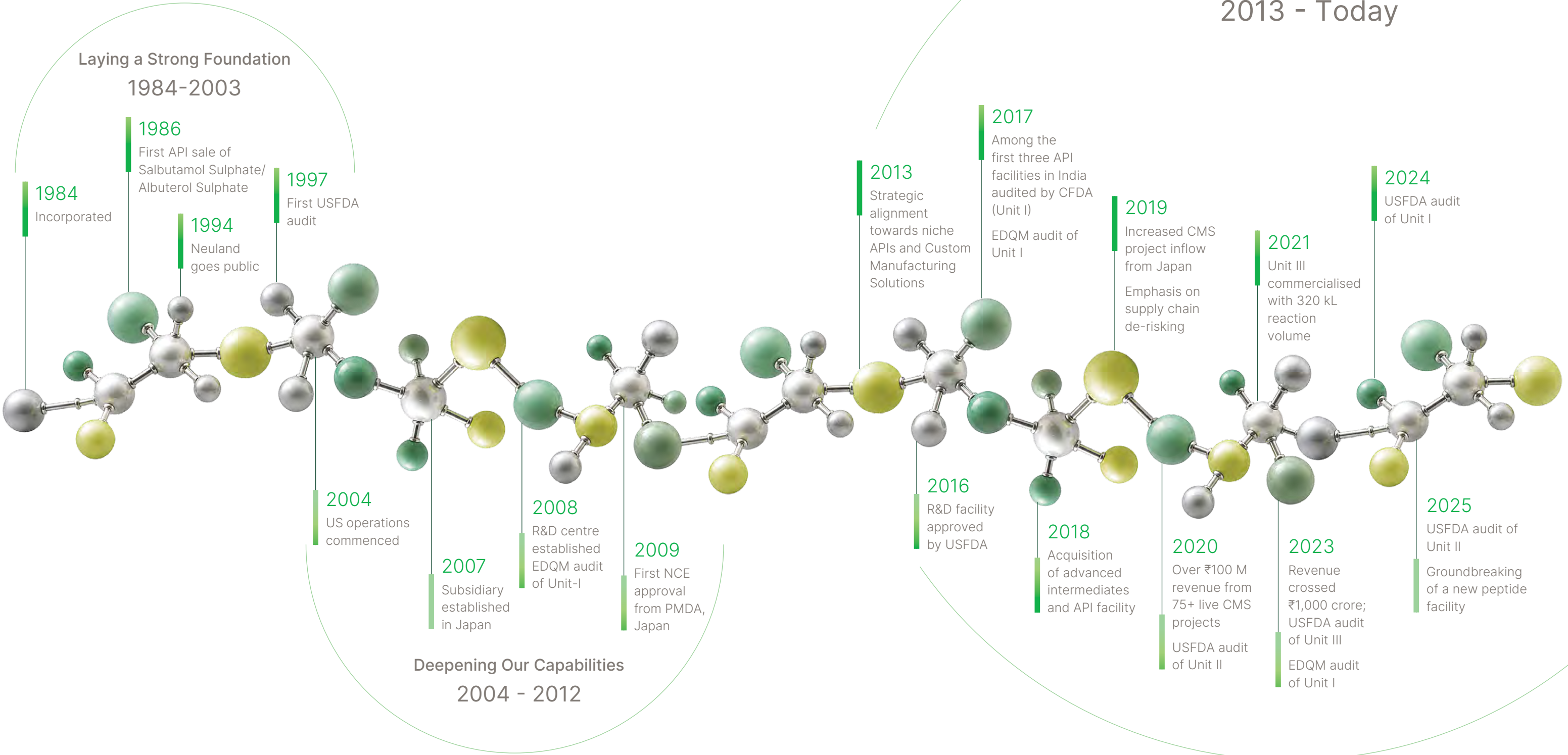
Further strengthening **systems, digitalisation, and execution discipline**

Enhancing readiness for late stage and commercial program transitions

Through a combination of scientific innovation and execution excellence, CMS is building a **scalable, future-ready CDMO platform** aligned with Neuland’s long-term growth strategy.

OUR JOURNEY

The Path to Trusted Execution



Chairman's letter to the Shareholders



These investments mark a deliberate step towards building capabilities that go beyond our current portfolio and allow us to participate meaningfully in emerging modalities and more complex programs.



Dr. Davuluri Rama Mohan Rao
Executive Chairman

Dear Shareholders,

I believe the past year has been significant not just in terms of outcomes, but also in light of key decisions which will be instrumental in building the Neuland of the future. These decisions are consistent with what I had set out to achieve, which is to build a quality-focussed pharmaceutical company, as outlined in my previous correspondences.

The performance during the year was in line with our outlook and reflects both the work we have done and the underlying potential of the business. We continue to believe that, over a period of time, the Company is well positioned to deliver sustainable high growth.

During the year, we saw strong growth driven by our Commercial CMS projects, where we were able to successfully scale complex APIs across two of our manufacturing units. This execution not only contributed to financial performance but also strengthened our credibility with customers in our ability to scale complex products reliably. This is particularly important in the context of the investment decisions we have taken over the last 15-18 months in areas such as peptide manufacturing and the establishment of a new R&D centre.

These investments mark a deliberate step towards building capabilities that go beyond our current portfolio and allow us to participate meaningfully in emerging modalities and more complex programs. While these require significant capital commitment in the near term, we believe they are essential to strengthening our long-term competitive position and ensuring that Neuland remains a relevant and differentiated partner to our customers.

Alongside these, we have continued to invest in expanding our manufacturing capacity, strengthening our R&D capabilities and improving processes across the organisation. Increasingly, we are conscious that future success will be determined not only by what we manufacture, but how consistently and efficiently we execute across the value chain.

The year also marked an important transition in leadership. The transition has been carried out in a structured and thoughtful manner. Sucheth's contribution over the years has been foundational in shaping Neuland into a stable, respected and strategically positioned organisation. His guidance provides both continuity and perspective as we move forward.

Saharsh, in his role as Managing Director and CEO, has brought a clear focus on execution discipline, customer engagement and building for the future. The Board is confident that under his leadership, the Company will continue to build on its strengths while pursuing new avenues of growth.

During the year, we were deeply saddened by the passing of Dr. Christopher Cimarusti. Dr. Cimarusti was a distinguished professional in the global pharmaceutical industry, and his association with Neuland was of immense value. His insights, particularly in advancing complex chemistry and strengthening our global engagement, have left a lasting impact on the Company. We remain grateful for his contributions and guidance.

On the governance front, we have continued to strengthen the Board with the addition of experienced professionals who bring diverse perspectives. We are pleased to welcome Dr. Mauricio Futran along with Dr. Ravi Gopinath to the Board. We believe their experience and expertise will add significant value as we navigate the next phase of growth.

I would also like to acknowledge the efforts of our management team and employees. The performance of the Company reflects their commitment, resilience and ability to execute in a dynamic environment. Across functions, we have seen a strong sense of ownership and alignment with the Company's long-term objectives.

As we look ahead, we are conscious that the opportunities before us require us to invest more aggressively, while maintaining discipline. The decisions we have taken are guided by a long-term view to build capabilities, deepen customer relationships, and strengthen the foundation of the Company.

Finally, I would like to thank all our stakeholders, including our customers for their continued trust, our partners for their collaboration, our employees for their dedication, and you, our shareholders, for your continued support and confidence in Neuland.

We remain committed to building an institution that is resilient, value-driven and capable of creating sustained long-term value.

Warm regards,

Dr. Davuluri Rama Mohan Rao
Executive Chairman

In Conversation with Executive Vice-Chairman



The year reflected the investment phase we are in. Capex cash outflow stood at ₹397.1 crore, directed towards capacity, capability and long-term growth priorities.



Sucheth Davuluri
Executive Vice-Chairman

Some years are best understood not only by the milestones they deliver, but by the choices that shape them. FY 2025-26 was one such year for Neuland – a year of strong activity, important financial milestones and disciplined decisions made amid regulatory, operational and market realities. Rather than present a simplified view of the year, I want this conversation to reflect both what worked and what challenged us. Throughout the year, our focus remained on product quality, customer trust, execution discipline, long-term capability creation and sustainable growth.

On April 1, 2026, I transitioned into the role of Executive Vice Chairman as part of a planned leadership succession. Having been closely involved in Neuland’s journey from a generic API manufacturer to a diversified specialty API and CDMO player, my mandate now is to help the Company look further ahead while strengthening continuity in execution. This includes shaping Neuland’s long-term horizon and strategic business planning, embedding a stronger Enterprise Risk Management culture, advancing sustainability as a business priority, strengthening stakeholder alignment, providing oversight on internal audit and guiding the Neuland Foundation’s broader social impact agenda. As the Company scales, this role is intended to convert experience into a sharper long-term blueprint, a stronger governance rhythm and a more resilient growth agenda which will enable Neuland to take informed opportunities while protecting the downside and building responsibly for the future.

FY 2025-26 was also an important financial year. Total income crossed the ₹2,000 crore milestone and stood at ₹2,053.1 crore, compared with ₹1,497.3 crore in FY 2024-25, reflecting growth of 37.1%. EBITDA increased to ₹603.4 crore from ₹342.8 crore, with EBITDA margin improving to 29.4% from 22.9%. Profit after tax stood at ₹363.1 crore and EPS was ₹283.01 per share. These outcomes reflected our business mix, operating leverage and execution. Favourable foreign exchange movements also contributed meaningfully, and it is important to acknowledge that context alongside the operating performance.

The year reflected the investment phase we are in. Capex cash outflow stood at ₹397.1 crore, directed towards capacity, capability and long-term growth priorities. Free cash flow was negative at ₹49.5 crore, primarily due to higher working capital and increased capital expenditure. Net debt remained negative at ₹156.8 crore, supported by cash balances of ₹353.6 crore. Our current ratio stood at 2.06 and ROCE stood at 26.14%. The balance sheet remains resilient, with comfortable liquidity. Improving cash conversion remains a management priority, supported by sharper focus on collections, inventory normalisation and tighter controls. As the business scales, our focus remains on ensuring that approved capex translates into clear execution milestones, business outcomes and long-term returns.

In the following Q&A, I aim to address the questions most frequently raised by shareholders and stakeholders, with transparency on what worked, where we faced challenges and how we are thinking about the road ahead. I also want to thank our colleagues, customers, partners and the wider Neuland community for their effort, trust and commitment.

 **What were the key challenges Neuland faced during FY 2025-26, and how did the organisation respond?**

The year reflected both the progress we have made and the complexity of the environment in which we operate. The performance was encouraging, but what matters most is that it was delivered while staying true to the fundamentals of the business. We did not compromise on product quality, regulatory expectations or customer trust.

On the GDS side, evolving regulatory requirements around nitrosamines, genotoxic impurities and related areas required a sharper focus on safety, efficacy, risk assessment and compliance. We addressed this by mobilising the right scientific, technical and quality resources, strengthening risk assessments and ensuring that the required product and compliance outcomes were achieved. A few customers also faced regulatory challenges at their end, which impacted expected volumes for certain profitable products.

These are realities of operating in a highly regulated global industry. What matters is how the organisation responds. During the year, our teams stayed close to customers, protected quality standards, maintained continuity of supply despite external disruptions and strengthened execution. The strength of the year lies in the quality of decisions behind the numbers.

 **The theme for this year’s report is ‘Advancing Trust through Execution Excellence’. What does execution excellence mean for Neuland in practical terms?**

For Neuland, execution excellence is about building trust through consistency, clarity and transparency. It is anchored in what the Company has always stood for quality, ethics, regulatory compliance and the right way of doing business. It is not limited to delivery timelines or On-Time In-Full metrics. Those are important, but in a CDMO environment, customer programmes involve multiple partners, sites and dependencies.

What customers value most is confidence that we will communicate clearly, anticipate risks and honour commitments. It is about saying what we will do and doing what we say. Over the last few years, our Customer Satisfaction (CSAT) and Net Promoter Score (NPS) processes have strengthened this listening loop, helping us understand

what customers expect and how we can be better partners. By listening closely to customer feedback and evolving needs, we have also been able to make more targeted investments in technology, capability and capacity expansion.

During the year, our project management team expanded from 7 to 22 people. We strengthened cross-functional teams, allocated dedicated resources across functions to important projects, added buffer manpower and created stronger feedback mechanisms. We also placed greater emphasis on rolling plans, milestone tracking and project reviews.

These actions improve coordination between R&D, manufacturing, quality, regulatory and business teams. They reduce surprises, improve responsiveness and make execution more predictable. Over time, this is what deepens trust and creates the basis for larger opportunities.

What steps has Neuland taken to build a more resilient business and support sustainable growth?

Enterprise Risk Management has become an important focus area because the nature of risk changes as the Company scales. Risks today can arise from operations, regulation, customers, supply chains, geopolitics, technology, capital allocation or environmental expectations. We cannot look at risk only as a compliance requirement.

At Neuland, we have consolidated our risk universe into about 80 to 90 risks after combining similar risks. Each key risk now has a risk rating, mitigation actions and residual risk assessment. We are also undertaking deeper reviews of the top organisational risks and working on external assessment of our risk management framework and practices. ERM is being further strengthened through our on Business Continuity Planning, Disaster Recovery readiness and scenario-based mitigation practices.

My view is that a robust ERM framework can be a catalyst for growth. If an organisation understands its risks well, it can take more considered opportunities and move with confidence. It improves the probability of success and helps reduce impact if something does not go as planned.

That is why ERM is central to my current role. Along with ESG and Internal Audit, it forms an important governance foundation that helps ensure growth is sustainable, well controlled and resilient. ESG keeps our growth aligned with environmental and social responsibilities, Risk Management helps us identify and act on uncertainties early, and Internal Audit provides independent assurance that controls, processes and compliance expectations are working effectively. Together, these disciplines connect long-term planning, oversight, resilience and growth, and help leadership look at the business with greater clarity.

Neuland has continued to invest in capacity, peptides and the new R&D centre. How do you think about capital allocation in the current environment?

Our approach to capital allocation is measured, but it also needs to be forward-looking. We do not invest only because market conditions are favourable. In our business, capability cannot be created overnight. If we wait until every opportunity is fully visible, lead times can become too long for customers.

The upcoming peptide manufacturing facility and the new R&D centre at Genome Valley are aligned with areas where Neuland can build differentiated capabilities. They are linked to customer conversations, project visibility, market direction and the scientific platforms we want to own over the long term.

In some areas, we are building minimum platform capacity ahead of demand so that when customer requirements become clearer, we can respond in months rather than years. This is demand-linked capability creation.

The external environment also supports more reliable, resilient and diversified supply chains. India today is increasingly seen as a trusted and reliable long-term partner to global pharma, supported by its scientific talent, regulatory experience, manufacturing capabilities and policy momentum. At Neuland, capital allocation is evaluated carefully through internal checks and balances, with a clear view of cash generated, long-term profitability, expected growth, customer needs and the returns we expect from each investment. We are conscious that every rupee of capital must support the right strategic decision. For Neuland, capex will remain linked to disciplined execution, customer-backed priorities, sustainable growth and long-term value creation.

How are people, culture and technology enabling Neuland to advance its technology initiatives and execute at the next level?

People are central to execution. We can invest in facilities, equipment and digital systems, but execution ultimately depends on the people who run the business every day. That is why talent, culture, motivation, diversity and welfare remained important focus areas during the year.

As the business becomes more complex, the organisation also needs to become more capable. We continued to build depth across scientific, technical, manufacturing and leadership roles. The Company delivered more than 1.4 lakh training hours, covering technical, behavioural, quality, EHS and leadership areas. Programmes such as ACE, IGNITE, NeuLEAP and Engage360 strengthened frontline leadership, managerial effectiveness, collaboration and customer orientation.

We also worked on leadership and succession depth. As we scale, we need strong second and third lines of leadership, clearer roles, better performance systems and stronger cross-functional teams. These directly influence customer outcomes.

Technology is the other major lever. AI is both an opportunity and a risk, and the pace of adoption will increasingly shape competitiveness. Early adopters will move faster, and companies that do not adapt with urgency may fall behind. At Neuland, we are applying AI in selected R&D areas, including route-of-synthesis design and validation. We are also using digital tools in analytics and evaluating automation in sampling and analysis. AI should help our scientists, not replace their judgement. Used well, it can strengthen decision-making and execution.

At Neuland, adoption is already strong at 96% MS Copilot adoption score, sustained by continuous training. We are now extending AI from individual productivity into core workflows – an AI R&D knowledge repository that puts decades of institutional knowledge at our scientists' fingertips; an AI-enabled RFP engine that sharpens how we respond to customer RFPs; and AI-assisted document review in Quality. In R&D, we are applying AI to route-of-synthesis design and validation, and using digital tools across analytics, with automation under evaluation in sampling and analysis.

Throughout, our principle is firm: AI must keep a human in the loop. It should help our scientists, not replace their judgement – every recommendation is reviewed, and our people decide and sign. In a regulated business, human oversight is not optional; it is a mandatory expectation. Used well, AI strengthens decision-making and execution while preserving the rigour and accountability our work demands.

How do sustainability and the Neuland Foundation fit into the Company's larger purpose?

Sustainability is increasingly central to how we think about growth. We are a pharmaceutical Company making products that support human health, and we also recognise the environmental responsibilities that come with our industry.

During the year, we completed the FY 2023-24 baseline for Scope 1 and Scope 2 emissions and progressed an SBTi-aligned decarbonisation pathway. Our manufacturing facilities remained Zero Liquid Discharge compliant, and we continued to strengthen monitoring, waste management, emissions tracking and resource efficiency.

The Neuland Foundation extends our contribution beyond operations. Through the People and Planet approach, the Foundation focusses on optimising human potential through skills, training and employability support, and also supporting environmental priorities such as water and biodiversity. One example is the work towards building larger awareness on Manjeera Wildlife (Bird) Sanctuary and its biodiversity, and efforts to support Ramsar Site certification.

For us, growth and responsibility cannot be separated. Business performance is important, but we must grow in a way that respects people, communities and the environment. That is the kind of Company we want to build.

Looking ahead, what should stakeholders expect from Neuland over the next few years?

Our strategy remains consistent. Neuland is a pure-play API Company focussed on specialty APIs, complex molecules, peptides, sterile APIs and contract manufacturing. We will continue to prioritise molecules and programmes where scientific depth, process capability, regulatory discipline and execution quality create meaningful differentiation.

This has been the direction of the Company over many years. The same production blocks and reactors can create different value depending on the products we choose, the customers we work with and the quality of execution we bring. Our progress has come from becoming deeper and more capable over time.

The outlook from here is also about depth. We want to go deeper in peptides, contract manufacturing, customer relationships and our chosen areas of science and manufacturing. This means strengthening our pipeline, filings, technology-led capabilities and people depth.

The external environment will continue to evolve, with geopolitical issues, tariffs, supply-chain shifts, regulatory changes, pricing pressure, inflation, foreign exchange volatility, interest-rate movements and demand uncertainty shaping business decisions. Our focus is clear: reliable supply, stronger internal metrics, backup plans, risk mitigation, disciplined execution and healthy margins. Strong margins are important because they act as a form of insurance against market risks and industry uncertainties, giving us the resilience to absorb external shocks while continuing to invest in high-quality growth.

That is the message I would leave with stakeholders. Neuland is growing, and its roots are getting deeper.

Message from CEO & Managing Director



As Neuland grows in scale and complexity, execution is increasingly becoming the organising principle. Scientific capabilities and manufacturing assets create opportunities, but the ability to deliver consistently, reliably, and predictably is what ultimately earns customer trust and drives long-term value creation.



Saharsh Davuluri
Chief Executive Officer & Managing Director

Dear Shareholders,

FY 2025-26 was a significant year as we crossed the ₹2,000 crore revenue milestone for the first time in our history. This reflects the progress we have made in expanding our capabilities, deepening customer relationships, and strengthening execution across the organisation. It marks another inflection point in Neuland's evolution from a company known primarily for its manufacturing strengths to one increasingly positioned as a differentiated and strategic drug substance partner to the pharmaceutical industry.

The year also marked the completion of a structured leadership transition that culminated with my appointment as Managing Director & Chief Executive Officer on April 1, 2026. This transition was designed to ensure continuity while strengthening accountability and preparing the organisation for its next phase of growth.

As I reflect on the year, two realities of our business stand out. The first is that growth in our industry is not always linear. Pharmaceutical outsourcing remains a molecule-driven, project-oriented, and highly regulated business. Customer programs progress at different speeds, commercial demand varies across products, and external market dynamics can create periods of volatility even within strong long-term growth trajectories.

Secondly, execution remains the most important determinant of sustainable success. As Neuland grows in scale and complexity, execution is increasingly becoming the organising principle. Scientific capabilities and manufacturing assets create opportunities, but the ability to deliver consistently, reliably, and predictably is what ultimately earns customer trust and drives long-term value creation.

This focus is reflected in how we operate today. We continue to emphasise timely execution of capital projects, delivery reliability across customer programs, and stronger coordination between R&D, manufacturing, quality, supply chain, and commercial teams. Across the organisation, we are strengthening

governance mechanisms, improving planning disciplines, increasing accountability, and embedding greater cross-functional alignment. Execution excellence is no longer viewed as an initiative but is steadily becoming part of Neuland's operating culture and one of the key differentiators that will support our growth ambitions in the years ahead.

Our performance during FY 2025-26 reflected both the opportunities and challenges inherent in our portfolio. While the Generic Drug Substances (GDS) business delivered below our expectations, the Custom Manufacturing Solutions (CMS) business continued its strong momentum and was the primary contributor to growth during the year and has firmly established itself as the primary growth engine of the company.

Growth in the CMS business was driven by continued expansion of commercial molecules, successful scale-up of recently added capacity, and the addition of new programs across multiple stages of the development lifecycle. Importantly, we continue to strengthen both the breadth and quality of our project portfolio. Customers are increasingly engaging with Neuland earlier in their development journey, creating opportunities for longer-term partnerships that extend from clinical development through commercialisation. This growing portfolio provides us with greater visibility, a stronger operating base, and the confidence to continue investing ahead of future demand.

The global pharmaceutical landscape continues to evolve in ways that reinforce our strategic direction. Outsourcing penetration is increasing as innovators seek greater speed, flexibility, and access to specialised expertise. The rise of complex modalities, continued growth in biotech innovation, increasing regulatory expectations, and efforts to build more resilient supply chains are creating opportunities for capable CDMO partners around the world. At the same time, geopolitical developments are encouraging customers to diversify sourcing strategies and strengthen supply chain resilience. Increasingly, customers are seeking partners that combine scientific capability, regulatory credibility, execution reliability,

and long-term commitment. We believe Neuland is well positioned at the intersection of these trends.

This is why our strategic focus continues to evolve beyond manufacturing capacity alone. The future of Neuland will be defined by our ability to create value through scientific depth, execution excellence, and customer engagement. We are steadily transitioning toward a more differentiated, services-led CDMO model where process development expertise, problem-solving capabilities, and partnership orientation become increasingly important drivers of growth and profitability. These capabilities require sustained investment and a long-term mindset.

One area that exemplifies this approach is peptides. Peptides represent one of the most exciting and rapidly growing segments of the pharmaceutical industry, driven by expanding applications across metabolic disorders, obesity, cardiovascular diseases, and several other therapeutic categories. Over the last few years, we have methodically built foundational capabilities in this area and strengthened our scientific expertise. During FY 2025-26, we made significant progress toward establishing our peptide manufacturing platform. We remain on track to commission our peptide facility during FY 2026-27, while also expanding our development pipeline and deepening customer engagement in this strategically important space. Our objective is not merely to participate in this market but to build capabilities that create sustainable differentiation over the long-term.

Peptides are only one part of a broader investment agenda. As Neuland enters a new phase of scale, our philosophy toward capital allocation is evolving as well. Historically, our investments were largely focussed on supporting immediate growth opportunities and expanding operational capabilities. Going forward, our investment decisions will increasingly balance current demand with investments that strengthen our competitive position over the next decade.



During FY 2025-26, we made significant progress toward establishing our peptide manufacturing platform. We remain on track to commission our peptide facility during FY 2026-27, while also expanding our development pipeline and deepening customer engagement in this strategically important space.

Our aspiration is to build an organisation capable of sustaining growth over extended periods. Achieving this objective will require investments beyond incremental capacity additions. We will continue allocating capital toward differentiated technologies, emerging modalities, digital capabilities, scientific talent, and strategic growth opportunities that enhance our long-term relevance to customers.

The pharmaceutical outsourcing industry is undergoing structural changes, and we believe capital must increasingly be directed toward areas that create durable competitive advantages. Accordingly, our investment framework will place greater emphasis on long-term

strategic value creation, while maintaining the financial discipline that has characterised Neuland's approach over the years.

Our objective is not simply to become larger. It is to build a stronger, more resilient, and more enduring enterprise. Alongside capital investments, we remain focussed on strengthening the organisational capabilities required to support future growth. As we scale, leadership development, succession planning, capability building, and creating a compelling employee value proposition will become increasingly important sources of competitive advantage.

We are accelerating the adoption of digital tools, automation, advanced analytics, and artificial intelligence across targeted areas of R&D, manufacturing, quality, and business operations. We believe these technologies will significantly improve health, productivity, decision-making, compliance, and customer responsiveness over time.

Sustained growth requires institutional capabilities that extend beyond individual contributions. We are therefore continuing to strengthen operating processes, governance forums, planning systems, and cross-functional collaboration to ensure that Neuland remains agile and execution-focussed as the organisation grows.

As we enter FY 2026-27, we do so with confidence. Our capacity readiness has improved, customer engagement remains strong, and our development pipeline continues to expand and diversify. We have also implemented targeted actions to restore momentum in the GDS business and expect it to return to growth as these initiatives mature.

At the same time, we remain mindful that our industry will continue to experience periods of volatility and change. We will therefore remain disciplined in our investments, measured in our decision-making, and relentless in our focus on execution.

We are excited by the opportunity before us and our direction is clear. Deepen customer partnerships, strengthen scientific and operational capabilities, invest decisively in future growth platforms, and build an organisation capable of delivering consistent, long-term value creation. The next phase of Neuland's journey will be defined by the consistency with which we execute, the trust we earn from customers, and the strength of the capabilities we continue to build.

On behalf of the management team, I thank our customers, employees, partners, Board of Directors, and shareholders for your continued trust and support. Together, we look forward to building the next chapter of Neuland's growth story.

Warm Regards,

Saharsh Davuluri
Chief Executive Officer & Managing Director

Board of Directors



Dr. Davuluri Rama Mohan Rao
Executive Chairman

Dr. Davuluri Rama Mohan Rao (DIN: 00107737) is the Founder and Executive Chairman of Neuland Laboratories Limited. He founded Neuland in 1984 with a vision to build a world-class pharmaceutical organisation rooted in scientific excellence, quality, and innovation. Under his leadership, Neuland has evolved from a small active pharmaceutical ingredient manufacturer into a globally respected specialty pharmaceutical company serving customers across regulated and emerging markets.

Dr. Rao holds a Master's degree in Science from Andhra University, a Postgraduate Diploma in Synthetic Drugs and Fine Chemicals Technology from IIT Kharagpur, and a Ph.D. in Organic Chemistry from the University of Notre Dame, USA. Prior to founding Neuland, he held research positions at the University of Vermont, Burlington; the Downstate Medical Center, New York; and the Indian Institute of Science, Bengaluru. His contributions to scientific research include nine publications in international journals, and he is a member of the Royal Society of Chemistry.

He joined Glaxo India in 1973, where he held senior leadership positions across Research & Development, Quality, and Manufacturing. These experiences provided the foundation for his deep understanding of pharmaceutical development, regulatory compliance, and industrial operations. Prior to founding Neuland, he established robust quality systems at an Indian pharmaceutical company and successfully led the organisation through a USFDA inspection.

As Executive Chairman, Dr. Rao continues to provide strategic guidance to the Board and leadership team, helping shape Neuland's long-term direction and values. His unwavering commitment to scientific rigour, ethical business practices, customer trust, and institution building has been central to Neuland's growth over four decades. He remains deeply passionate about fostering innovation, developing future leaders, and ensuring the Company continues to create sustainable value for patients, customers, employees, shareholders, and society.



Mr. Davuluri Sucheth Rao
Executive Vice-Chairman

Mr. Davuluri Sucheth Rao (DIN: 00108880) is the Executive Vice Chairman of Neuland Laboratories Limited. Over the course of more than two decades with the Company, having joined as Sr. Vice President - Operations in 2002 and subsequently serving as the Chief Executive Officer from 2009 until March 2026, he has played a pivotal role in shaping Neuland's evolution from a manufacturer of generic active pharmaceutical ingredients into a differentiated specialty API and contract development and manufacturing organisation serving global pharmaceutical customers. He has been instrumental in expanding Neuland's presence in regulated markets, strengthening its quality and compliance culture, establishing subsidiaries in the United States and Japan, and driving the Company's strategic focus on specialty APIs and Contract Manufacturing Services.

In his current role, Mr. Sucheth focusses on guiding Neuland's long-term strategic direction and strengthening the institutional foundations required to support sustainable growth. His responsibilities include long-range planning, strategic business planning, enterprise risk management, sustainability, corporate governance, stakeholder engagement, internal audit oversight, and philanthropic initiatives through the Neuland Foundation. Working closely with various internal and external stakeholders, he helps shape the Company's long-term vision while promoting strong governance, resilience, and responsible value creation. He actively champions the integration of risk-informed decision-making, environmental stewardship, and governance excellence into the Company's strategic agenda. He also engages with industry bodies, customers, regulators, investors, and other stakeholders to advance Neuland's position within the global pharmaceutical ecosystem.

A Mechanical Engineer by training, Mr. Sucheth holds an MBA in Corporate Finance and Operations Management from the Mendoza College of Business, University of Notre Dame, USA. He is a certified Six Sigma Black Belt and brings extensive experience across business development, operations, organisational transformation, and corporate governance. He also serves as Vice President of the Drug, Chemical & Associated Technologies Association (DCAT), contributing to the advancement of collaboration and leadership across the global pharmaceutical industry.



Mr. Davuluri Saharsh Rao
Chief Executive Officer & Managing Director

Mr. Davuluri Saharsh Rao (DIN: 02753145) is the Chief Executive Officer & Managing Director of Neuland Laboratories Limited. Having joined the Company in 2007, he has played a pivotal role in shaping Neuland's evolution into a globally recognised specialty pharmaceutical organisation. Over the years, he has contributed significantly to strengthening the Company's strategic positioning, expanding its global customer relationships, and building capabilities that support long-term growth. He was instrumental in establishing and scaling Neuland's Contract Manufacturing Solutions (CMS) business, which today serves a diverse portfolio of global pharmaceutical and biotech innovators.

As the Chief Executive Officer & Managing Director, Mr. Saharsh Rao is responsible for leading the overall business and driving the execution of Neuland's long-term strategy. He oversees the Company's operations, commercial organisation, manufacturing, quality, supply chain, finance, human resources, research and development, and digital transformation initiatives. Working closely with the Board and leadership team, he is focussed on strengthening execution excellence, enhancing customer partnerships, and ensuring that Neuland remains well positioned to capitalise on emerging opportunities across the global pharmaceutical landscape. He has played a key role in expanding Neuland's research and development capabilities, including its peptide platform, and has supported the development of project management, digital, and organisational capabilities necessary to enable the Company's next phase of growth. Under his leadership, Neuland continues to invest in advanced technologies, modern manufacturing infrastructure, talent development, and a culture of agility, accountability, and continuous improvement.

Mr. Saharsh Rao holds a bachelor's degree in Electrical Engineering, a master's degree in Management Information Systems from the Weatherhead School of Management, Case Western Reserve University, USA, and an MBA from the University of North Carolina, USA. Prior to joining Neuland, he worked with Sify Limited and gained experience with a life sciences-focussed venture capital fund in the United States.



Mr. Homi Rustam Khusrokhhan
Independent Director

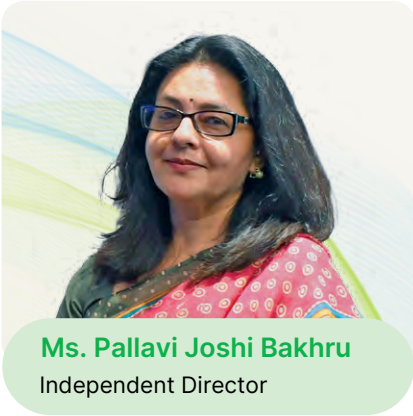
Mr. Khusrokhhan (DIN:00005085), is a Fellow of the Institute of Chartered Accountants of India. He studied at the Sydenham College of Commerce & Economics where he graduated with the degree of B. Com. (Hons.) from the University of Mumbai. After qualifying as a Chartered Accountant, he studied at the London School of Economics & Political Science where he obtained the degree M.Sc. (Econ.) London and worked with the Ford Motor Company. Having worked in the Corporate Sector in India for close to 40 years, Mr. Khusrokhhan has wide experience and knowledge of modern management techniques and in-depth knowledge and expertise of Pharmaceuticals, Agriculture-related businesses, International Operations and Mergers & Acquisitions. Mr. Khusrokhhan has been the Managing Director of Glaxo & Burroughs Wellcome in India, Tata Tea Limited and Tata Chemicals Limited. He was a special Advisor to the Government-appointed Board of Satyam after he retired from the Tata Group. He was President of the Organisation of Pharmaceutical Producers of India and Vice President of the Bombay Chamber of Commerce and Industry. He has served as an Independent Non-Executive Director on several Boards: Hindustan Lever, ICICI Bank, LIC-Nomura Mutual Fund Trustee Company, Tata-AIG Life, Fulford India, and Strides Pharma Science. He retired from the Tata Group in 2008 but continues as a Senior Advisor to Tata Capital's Healthcare P/E Funds. He is presently Chairman of the Indian Red Cross Society, Maharashtra State and serves on the Board of Governors of The Anglo Scottish Education Society. He is a Trustee of a General Hospital and several NGOs engaged in philanthropy and health-related areas. He was earlier Chairman of the Employers Federation of India, Western Region, President of the Bombay Natural History Society and Chairman of United Way, Mumbai.



Mr. Menon (DIN: 00005078), is a chemical engineer from the Indian Institute of Technology (IIT), Kharagpur, India. Mr. Menon has over 40 years of diverse experience in some of the premier multinational and Indian companies in the chemical and power industry. Mr. Menon had a 20-year stint with chemical giant ICI, and later became Director Technical, at Nagarjuna Fertilisers and Chemicals Limited. In the year 2000, he took over as the Managing Director of Tata Chemicals and in the year 2006, he stepped outside the chemicals field to become the Managing Director of Tata Power, from where he eventually retired in January 2011. After retiring from his executive role, Mr. Menon continued to serve as a director on various Tata Boards, including Tata Chemicals, and as Chairman of Tata Projects, Vistara, Tata Consulting Engineers, Tata Quality Management Services, and the Group Sustainability and Safety Council until 2016. He has also served on various Boards as Independent Director - Axis Bank, SKF India, Dr. Reddy's Laboratories, Sanmar Group, Singapore Tourism Board, Grantham Research Centre for Climate Change London, The Energy and Resources Institute (TERI) and CII-ITC Centre of Excellence for Sustainable Development. He was the Chairman of Wildlife Trust of India. Mr. Menon has rich experience across various domains, including chemicals, power, environment and biodiversity, risk, sustainability, governance, and corporate social responsibility. Mr. Menon is also a director on the Boards of - Data Patterns (India) Limited and Chemplast Sanmar. Mr. Menon is also on the Boards of the Centre for Environment Education, and Kaivalyadham Yoga Institute.



Mr. Sircar (DIN: 01119161), is a fellow member of The Institute of Chartered Accountants of India and has completed Management Programs at ISB, Kellogs School, and Harvard Business School, US. Mr. Sircar has over 35 years of experience in different sectors including energy and automation, chemicals, textiles, tyres, FMCG and city gas distribution. He retired as Chief Financial Officer (CFO) of Schneider Electric, Greater India. Earlier, he has worked with Gujarat Gas Co Ltd (a company of the BG Group, UK), Cabot India Ltd, Madura Coats, Britannia Industries and Dunlop, in various roles including CFO, Finance Director and Managing Director. Mr. Sircar is currently an Advisor to CEOs, speaker, and writer. He sits on the Executive Committee of the CFO Board and has been engaged in forums like the Indo French Chamber of Commerce and Industry.



Ms. Bakhru (DIN: 01526618), is a Fellow Member of the Institute of Chartered Accountants of India and Member of Indian Institute of Corporate Affairs. Currently, she is the Head of the Private Client Service offering at Grant Thornton in India. She has over 30 years of experience spanning solutions and clients in different sectors. She was the Head of Tax at a large natural resources group for five years and assisted with growth strategies. In 2015, Ms. Bakhru was recognised as one of the Top 10 Women in Tax in India by the International Tax Review. Her specialties include corporate tax, litigation, including being a part of a team that ran an international arbitration under Bilateral Investment Treaty (BIT), tax structuring and regulatory matters pertaining to FEMA. Over the years, she has simplified the global structure of some large groups, institutionalised a royalty payment system, resolved some high-pitched tax litigation and done Advocacy. She works closely with Promoters and CXO's on critical aspects of business, including decisions related to business restructuring, choice of senior counsels for representation in key litigation, she has helped in re-organising few businesses and take their geographic footprint overseas. Ms. Bakhru has rich experience in the areas of finance, taxation, strategy, risk management, sustainability and information technology.



Dr. Gopinath (DIN: 00803847), currently serves as a Non-Executive Director on the board of Weir plc (LON:WEIR) and is a member of the Audit Committee and the Safety, Sustainability and Technology Committee of Weir. He also serves as a Non-Executive Director on the board of Thermax Ltd (NSE:THERMAX) and is the Chair of the Strategy and Business Development Committee of the Board at Thermax.

Ravi served as Chief Operating Officer, Chief Product and Strategy Officer from 2018 to 2022 at AVEVA plc (listed as LON:AVV till January 2023). He joined AVEVA in 2018 through the merger of Schneider Electric Software with AVEVA. Prior to the merger he was the Executive Vice President of Schneider Electric Software. He joined Schneider Electric in 2014 following the acquisition of Invensys plc by Schneider Electric. At Invensys, he was President of Invensys Software from 2011 to 2014 and President, Asia Pacific from 2009 to 2011. He started his career as a research scientist in Tata Consultancy Services in 1994 and eventually led the global Engineering Business and the Manufacturing Practice for the company.

Ravi holds a Ph.D in Chemical Engineering from Rensselaer Polytechnic Institute, New York and a Masters in Chemical Engineering from the Indian Institute of Technology Bombay. He is a Singapore national and lives in Singapore.



Dr. Futran (DIN: 11699767), is a PhD Chemical Engineer with over 40 years of experience in strategic and tactical process and product development and manufacturing at Merk & Co., Bristol Myers Squibb and Johnson & Johnson. He is a member of National Academy of Engineering and widely recognised for his contributions to quality by design, process modelling, advanced manufacturing and operations excellence. He has expertise in driving and implementing new technology, process development, tech transfer, validation, regulatory compliance, safety, operational excellence, quality by design, as well as modelling and chemical engineering science. Recognised expert in CMC development, from interface with discovery to validation and manufacturing. Experience in leading large teams, creating external partnerships and strategic facility design and implementation.

OPERATING ENVIRONMENT

Navigating a Dynamic Landscape

The pharmaceutical industry is being reshaped by scientific complexity, policy shifts, supply chain realignment and rising expectations of reliability. For API-focussed CDMOs, this environment favours partners with strong chemistry, compliance depth and the ability to scale with discipline.

CDMO Market Expansion Continues

US\$ 374.7 billion

Expected global CDMO market size by 2031



Our response

The global pharmaceutical CDMO industry continues to expand as pharmaceutical and biotechnology companies increase outsourcing across development and manufacturing. The market is expected to grow from US\$ 258.9 billion in 2025 to US\$ 374.7 billion by 2031, supported by the need for cost-efficient, scalable and reliable manufacturing solutions. As programmes become more specialised, customers are seeking partners who can combine process chemistry, regulatory credibility and dependable execution.

We continue to strengthen our position as a proven commercial NCE drug substance manufacturer. Historically, Neuland has been a valued partner to biotech companies, and we are now seeing greater engagement from larger pharmaceutical companies as well. Our reputation and track record as an agile partner is enabling new business and a larger share of business from existing customers.

Complex and Advanced Modalities Gain Momentum

US\$ 14 billion

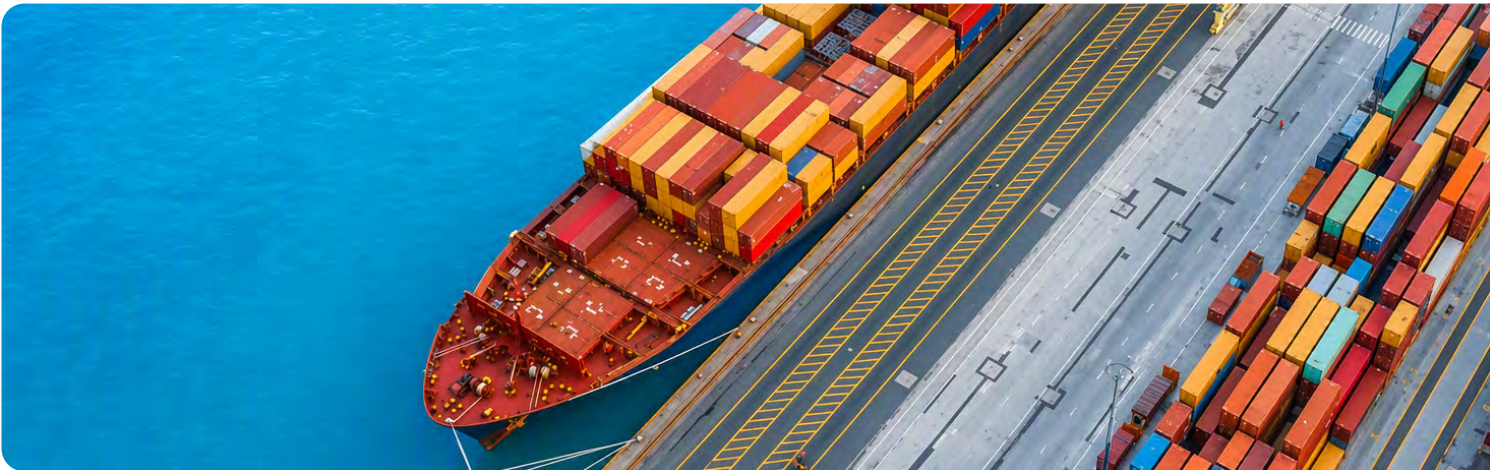
Projected global peptide API market size by 2030



Our response

The CDMO market is moving towards higher-complexity opportunities, including peptides, oligonucleotides, ADCs and other advanced modalities. Peptide APIs are gaining momentum, supported by a rich clinical pipeline, GLP-1 demand and the expected peptide patent cliff. With two-thirds of peptides in the clinical pipeline being developed through synthetic routes, process chemistry and scale-up expertise are becoming increasingly important.

We continue to deepen our capabilities in complex chemistry, specialty APIs and peptide development. Our strategy is anchored in chemistry-led differentiation, with capabilities across deuterated molecules, peptides, chiral chemistry, hydrogenation, cryogenic reactions and enzymatic reactions. We have announced capex of ₹254 crore to expand peptide synthesiser reactor capacity from 0.5 KL to 6.37 KL. We have also approved a new R&D Centre at Genome Valley, which will strengthen our ability to support complex programmes from early development through scale-up and commercialisation.



Global Generics Opportunity Remains Strong

US\$ 300 billion+

Annual branded drug sales expected to lose exclusivity between 2025 and 2030



Our response

Global demand for generic drugs continues to rise, supported by chronic disease prevalence, increasing healthcare cost pressures and the need for affordable treatment options. The upcoming patent cliff is expected to create a sizeable medium- to long-term opportunity for generic and biosimilar manufacturers. As branded drugs lose exclusivity, affordable alternatives are expected to enter the market, supporting demand for reliable and cost-efficient generic APIs.

Our GDS business continues to support the demand for high-quality and reliable APIs. We remain focussed on strengthening our portfolio of complex and specialty generic APIs while retaining our position in selected prime products. We are also pursuing cost optimisation across products and processes to strengthen our position in key products and capture growth opportunities in generic APIs.

Supply Chain Reconfiguration Gains Urgency

80%+

Supply chain leaders from top 100 companies have adopted dual sourcing and near-shoring strategies, in response to geopolitical developments



Our response

Over the past year, Big Pharma has accelerated its supply chain reconfiguration in response to the U.S. Section 232 investigation launched in April 2025 and the subsequent threat of a 100% tariff on branded drug imports in October 2025. In reaction, companies announced manufacturing investments to establish / expand footprint in US. As Big pharma and biotech companies actively reduce their dependence on China for clinical and commercial supplies, India continues to strengthen its position as a preferred alternative.

We are well positioned to benefit from this shift, supported by our India-based manufacturing footprint, regulated market experience and long-standing API capabilities. As customers look to diversify sourcing towards reliable, compliant and technically capable partners, we continue to invest in capacity, quality systems and customer engagement to support long-term supply security. Our capacity creation approach also enables us to respond to customer requirements while maintaining capital discipline.

Indian Policy Environment Strengthens Pharma Competitiveness

₹10,000 crore

Proposed allocation over five years under the Bio Pharma Shakti initiative



Our response

India's policy environment is increasingly focussed on healthcare infrastructure, pharmaceutical R&D, domestic manufacturing and regulatory capability. The Union Budget for FY 2026-27 emphasises health and pharma R&D, clinical trial infrastructure, biopharma ecosystem development, export promotion and stronger drug regulation. Initiatives such as Bio Pharma Shakti, expansion of the National Institute of Pharmaceutical Education and Research network and accredited clinical trial sites are expected to support India's pharmaceutical competitiveness.

Our India-based manufacturing footprint, strong compliance systems and API expertise position us well within this policy environment. With over four decades of API manufacturing experience, 1,000+ regulatory filings and 75 active US DMFs, we continue to support regulated market requirements while investing in capabilities that improve customer confidence and long-term relevance.

Digitalisation and AI Reshape Operations

31.7% CAGR

Projected growth of the global AI in pharmaceuticals market between 2025 and 2030



Our response

Digitalisation and AI are becoming more relevant across pharmaceutical R&D, manufacturing, analytics, quality and supply chain operations. According to BCC Research, the global AI in pharmaceuticals market is projected to grow from US\$ 3.8 billion in 2025 to US\$ 15.2 billion by 2030. The opportunity lies in faster process understanding, better analytics, improved visibility and more consistent decision-making. At the same time, adoption needs to be focussed, practical and well-governed.

We are evaluating AI-led interventions where they can create meaningful value. Current focus areas include route-of-synthesis design, validation of development approaches, analytics and automation of sampling and analysis. Our approach is to prioritise a few high-impact initiatives that strengthen scientific judgement and improve operational efficiency.

Execution Excellence Becomes a Differentiator

Quality Management Maturity

Mature quality systems support more reliable drug supply



Our response

As pharmaceutical programmes become more complex, customers are placing greater emphasis on partners who can deliver with consistency and transparency. Execution now extends beyond manufacturing output to programme visibility, cross-functional coordination, risk anticipation and quality discipline. Mature quality management practices can help reduce quality-related failures, improve supply reliability and support continual improvement across the product lifecycle.

Execution excellence is central to how we build customer trust. As a quality-focussed pharmaceutical company, we continue to anchor our operations in strong compliance, product integrity and disciplined delivery. We have strengthened project management, expanded cross-functional coordination and added dedicated resources for larger projects across key operating functions. Our focus is on improving visibility, meeting commitments and building the operating discipline required to serve larger and more complex programmes.

Sustainable Chemistry and Responsible Scale-up

26x

Average Scope 3 supply chain emissions compared with direct operational emissions



Our response

Sustainability expectations across sectors, including pharmaceutical manufacturing, are becoming more operational and measurable. Customers and regulators are placing greater emphasis on emissions, water, waste, energy efficiency, responsible sourcing and supply chain transparency. For API manufacturers, this brings sharper focus on resource productivity, cleaner operations, supplier engagement and better environmental data visibility across the value chain.

We are embedding sustainability into how we develop and scale processes. Our focus includes green chemistry, solvent optimisation, waste reduction and resource efficiency. Since FY 2021-22, we have invested ₹59.95 crore in EHS-related capex, with around 50% directed towards environmental initiatives and climate action. We continue to prioritise local sourcing, with around 78% of raw materials procured within India and around 65% sourced from suppliers located within 800 km. We also covered 95% of our supply chain by volume under our GHG inventorisation drive.

Our Value Creation Model

INPUT

Resources and relationships we rely on

	FINANCIAL CAPITAL Investments in R&D and operational expenses.	₹ 1,865.85 crore Net Worth ₹ 2,053.15 crore Total Income ₹ 347.6 crore Cash Flow from Operations
	MANUFACTURED CAPITAL - Manufacturing facilities and equipment for synthesis, purification and analysis. - Raw materials - Chemical compounds, reagents, solvents and others.	1 USFDA Inspection Successfully Conducted in FY 2025-26 52 KL Additional Capacity Added
	INTELLECTUAL CAPITAL Laboratories, R&D capabilities, analytical and investigative expertise for process development and optimisation.	₹ 79.2 crore R&D investment: in Capital and Revenue Expenditures 428 R&D Team size 204+ Patents filed till date 300+ API Processes Developed
	HUMAN CAPITAL Skilled workforce in manufacturing, research and business development	2,188 Total Employees Globally 828 New Employees Hired 1.42 lakh+ hours of Training 92,491 Safety Training Session Hours 2,102 Employees Participated in Feedback Survey
	NATURAL CAPITAL Adhering to our sustainability framework, we promote efficient resource utilisation and sustainable practices.	472 TJ of energy consumed ₹ 8.17 crore Invested on equipment for energy conservation
	SOCIAL CAPITAL Caring for our communities with several initiatives and projects that empower their lives	₹ 6.09 crore Total CSR expenditure 19+ Community Outreach Programmes Conducted 4 Health Camps Organised
	RELATIONSHIP CAPITAL Collaborations and alliances with industry bodies, Business partners engaging with quality suppliers	1,659 Significant Tier 1 Suppliers 100% Supplier Audits Conducted 1,522 Domestic Supplier Count

BUSINESS ACTIVITIES

**CMS (CDMO Services)**

Preferred partner in the manufacturing of Active Pharmaceutical Ingredients (APIs)

Contract development & manufacturing of APIs

- Process R&D from lab to commercial scale
- cGMP manufacturing of RSMs/KSMs, intermediates and commercial supply

Process optimisation

- Route scouting, yield & productivity improvement, cost optimisation

IND/NDA filing support

- DMF/ASMF support, documentation, regulatory compliance

cGMP capabilities

- Multi-step synthesis, scale-up & tech transfer, continuous improvement

Chemistry & Manufacturing Capabilities

- Synthetic, catalytic, organometallic, asymmetric & biocatalysis

Solid state & flow chemistry technologies

- Flow chemistry for safer, greener & efficient manufacturing

Quality & compliance

- Robust QA/QC, analytical development, process validation, regulatory inspections

Commercial excellence

- Reliable supply, on-time delivery, customer-first approach

**GDS (Generic APIs)**

Building a robust portfolio of high-quality generic APIs for global markets

Process & route development

- Literature research, route scouting, IP landscape assessment & process design

Scale-up & API manufacturing

- From kg to multi-MT scale with consistent quality & yield

Deep R&D & process innovation

- Novel chemistry, green chemistry, continuous improvement initiatives

Quality, EHS & reliability

- cGMP compliant facilities, stringent QC, EHS excellence & business continuity

Portfolio strength

- Wide portfolio across 80+ countries and multiple dosage forms (tablets, injectables, etc.)

Customer-centric approach

- Long-term partnerships, technical support, value-added solutions

Preclinical → Phase 1 → Phase 2 → Phase 3 → Commercial → LOEs

Our Values

 **Innovation** **Transparency** **Agility** **Accountability** **Empathy**

OUTPUTS

29.39% EBITDA margin ₹ 603.41 crore EBITDA 19.46% ROE 26.14% ROCE	100+ APIs across 10 therapeutic areas API 1,218 kL manufacturing capacity 7 kL Hydrogenation Reaction Volume 25 kL Cryogenic Reaction	1,000+ Filings Worldwide 15 Development Labs	11.97% Women at Permanent workplace ZERO fatalities 69% Employee Satisfaction Score	1.24 TJ/Tonne Energy Intensity ZERO liquid discharge ZERO Waste to Landfill Certified 7,865.13 MT of Hazardous Waste Recycled/Reused (99.9%) 3,950 Saplings Planted	~52,000+ lives from FY 2025-26 ~13,000+ Families Benefited 25+ underprivileged students benefited	65% of Raw Materials Sourced Locally (<800km) to Reduce Carbon Miles
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OUTCOME

Co-creating value with stakeholders

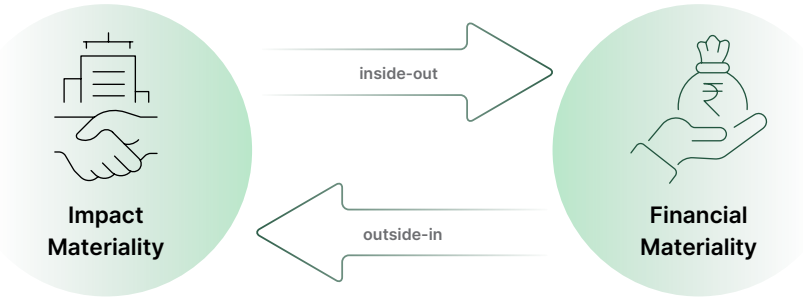
CUSTOMERS Reliable access to high quality APIs, backed by robust innovation through green chemistry  	EMPLOYEES Creating a diverse, inclusive, engaged and effective workplace  	SUPPLIERS/BUSINESS PARTNERS Continuous engagement with essential suppliers for raw materials to ensure enhanced product quality and uninterrupted operations  	LOCAL COMMUNITIES Contributing to the development of local residents within our area of operations through various social empowering activities  	SHAREHOLDERS AND INVESTORS Creating long-term value and wealth with regular and timely updates of business and sustained growth in business 	GOVERNMENT AND REGULATORS - Compliance with all regulatory and governance frameworks - Regular audits across quality, safety and environment processes - Leaving a lasting positive impact on society with products that enrich lives  
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MATERIALITY

The Blueprint for Sustainable Value

In FY 2025-26, we undertook a refresh of our materiality assessment exercise, marking three years since its previous evaluation. As part of this process, the Company transitioned from a Single Materiality approach to conducting its first Double Materiality Assessment (DMA), strengthening its sustainability governance framework and aligning with evolving regulatory requirements and stakeholder expectations.

The DMA evaluates:



The assessment aligns with:

- i. EFRAG/ESRS (under the CSRD)
- ii. GRI Standards
- iii. SEBI's BRSR framework

The outcomes guide Neuland's ESG strategy, disclosures, and stakeholder engagement for FY 2026-28.

The assessment will be refreshed every two years, with annual progress tracking.

Our Approach to Double Materiality

Step 1	Step 2	Step 3	Step 4	Step 5
Topic Identification - Developed initial universe of ESG topics based on peer benchmarking, industry frameworks, and internal inputs - Refined universe to relevant topics for the Company	Stakeholder Relevance Assessment 14 stakeholder groups identified (internal & external) - Surveys and workshops conducted with stakeholders and management - Topics rated by stakeholders on relevance	Materiality Assessment and IRO Identification - Shortlisted topics from both impact and financial materiality perspectives - Impacts were assessed based on scale, scope, irremediability, and likelihood - Assessed financial materiality based on potential financial magnitude and in alignment with Company's ERM framework - Identified associated Impacts, Risks, and Opportunities (IROs) for material topics	Consolidation & Validation - Consolidated the assessed topics into the final material topics - Reviewed and validated by senior management	Governance Approval Approved by Leadership Council and reviewed by the Risk and Sustainability Committee

Double Materiality Matrix



Environmental

- 4 Emissions and Climate Change
- 5 Water Stewardship
- 6 Green Chemistry & Sustainable Manufacturing
- 9 Energy Management
- 12 Waste and Effluent Management

Social

- 2 Human Capital Management
- 10 Occupational Health & Safety

Governance

- 1 Sustainable Supply Chain
- 3 Product Quality and Regulatory Compliance
- 7 Information and Cyber Security
- 8 Digitalisation and AI Adoption
- 11 Enterprise Risk, Emergency Preparedness and Business Continuity

The following table presents our material topics, outlining the material risks and opportunities associated with the Company's sustainability topics. It also highlights the measures adopted to manage and mitigate significant risks, where applicable.

SI	Material Topic	Linkage with UN SDGs	Description	Identified Risks and Opportunities	Mitigation Measures (Risk)
1	Sustainable Supply Chain	  	Covers procurement of APIs, intermediates, solvents, specialty chemicals, packaging materials, utilities, logistics, and third-party service providers. Includes supplier due diligence, ESG screening, ethical sourcing, vendor quality management, and continuity of raw material supply for pharmaceutical manufacturing operations.	Risks: Supplier disruption, geopolitical instability, quality failures, regulatory non-compliance, dependency on single-source suppliers, cost volatility, delayed deliveries impacting customer commitments. Opportunities: Supplier diversification, resilient procurement systems, ESG-compliant vendor partnerships, improved customer confidence and operational continuity.	Multi-sourcing strategy, supplier audits, vendor qualification programs, inventory buffers for critical materials, supplier assessments, digitalisation of supply chain, and contingency sourcing plans.
2	Human Capital Management	  	Includes workforce capability building, leadership development, technical training for GMP and R&D personnel, succession planning for key positions, retention strategies, performance management, diversity and inclusion, and talent pipeline development for specialised pharmaceutical operations.	Opportunities: Improved productivity, innovation, employee retention, stronger leadership pipeline, and enhanced employer brand.	Structured learning and development programs, succession planning, competency mapping, leadership development initiatives, employee engagement surveys, competitive compensation and benefits, mentorship programs, and career progression pathways.

SI	Material Topic	Linkage with UN SDGs	Description	Identified Risks and Opportunities	Mitigation Measures (Risk)
3	Product Quality and Regulatory Compliance	  	Adherence to global pharmaceutical quality standards such as GMP, USFDA, EMA, PMDA, and other regulatory requirements. Includes quality assurance, validation, documentation integrity, product safety, and customer quality expectations.	Risks: Product recalls, warning letters, import alerts, data integrity failures, customer dissatisfaction, litigation, reputational damage, and production stoppages.	Robust Quality Management Systems, regular internal and external audits, employee GMP training, CAPA systems, data integrity controls, digital quality monitoring, validation protocols, and regulatory intelligence tracking.
4	Emissions and Climate Change	    	Covers greenhouse gas emissions arising from manufacturing operations, utilities, transportation, purchased electricity, and supply chain activities (Scope 1,2 &3), along with assessment of climate-related physical risks such as extreme heat, flooding, water stress, storms, and supply chain disruptions impacting facilities, operations, employees, and surrounding communities. Includes climate resilience, decarbonisation initiatives, and climate adaptation planning across pharmaceutical manufacturing operations.	Risks: Carbon regulation exposure, rising energy costs, stakeholder and investor scrutiny, climate-related reputation risks, infrastructure damage, operational downtime, utility disruptions, increased cooling demand, worker health impacts, and insurance cost escalation.	GHG inventory tracking, energy-efficient equipment and initiatives, climate risk assessments, resilient infrastructure planning, emergency preparedness, process improvements, localisation, emissions reduction targets and insurance coverage.
5	Water Stewardship	 	Covers efficient water use, recycling, rainwater harvesting, groundwater management, wastewater treatment, and efforts to replenish or offset water consumption in water-stressed regions where pharmaceutical manufacturing facilities operate.	Risks: Water scarcity, operational disruption, community conflicts, regulatory restrictions, and increased water costs.	Water audits, Zero Liquid Discharge systems, wastewater recycling, process water optimisation, and watershed conservation initiatives.

SI	Material Topic	Linkage with UN SDGs	Description	Identified Risks and Opportunities	Mitigation Measures (Risk)
6	Green Chemistry & Sustainable Manufacturing	  	Focusses on sustainable process chemistry, solvent recovery, reduced hazardous substance usage, process intensification, waste minimisation, cleaner production technologies, and environmentally responsible API manufacturing practices.	Opportunities: Lower operational costs, improved resource efficiency, innovation in sustainable APIs, and enhanced customer preference.	Adoption of green chemistry principles, solvent recycling systems, process optimisation, cleaner technology investments, lifecycle assessments, waste minimisation initiatives, and sustainability-focused R&D.
7	Information and Cyber Security	 	Covers protection of sensitive business, R&D, manufacturing, employee, and customer data from cyber threats. Includes IT infrastructure security, intellectual property protection, regulatory compliance, data privacy, and operational technology security.	Risks: Data breaches, ransomware attacks, intellectual property theft, production disruption, regulatory non-compliance, and reputational damage.	Cybersecurity frameworks, access controls, firewalls, regular penetration testing, employee awareness training, incident response plans, backup systems, and continuous monitoring of IT and operational technology environments.
8	Digitalisation and AI Adoption	 	Includes implementation of digital manufacturing systems, automation, AI-driven analytics, predictive maintenance, digital quality systems, data analytics, and operational digitisation initiatives.	Risks: Technology implementation failures, cybersecurity vulnerabilities, workforce skill gaps, data privacy concerns, and high capital expenditure. Opportunities: Improved efficiency, predictive decision-making, reduced downtime, enhanced compliance, and accelerated innovation and execution.	Digital transformation roadmap, phased implementation, employee upskilling, Responsible AI policy, vendor due diligence, and robust data management practices.

SI	Material Topic	Linkage with UN SDGs	Description	Identified Risks and Opportunities	Mitigation Measures (Risk)
9	Energy Management	  	Includes management of electricity, steam, fuel, compressed air, HVAC, and utility systems across operational locations to improve energy efficiency and reduce energy intensity.	Opportunities: Cost savings, lower carbon footprint, operational efficiency, renewable integration, and enhanced competitiveness.	Energy audits, renewable energy sourcing, efficient utility systems, LED lighting, heat recovery systems, smart monitoring, and employee awareness initiatives.
10	Occupational Health & Safety	 	Covers employee physical health, occupational safety, mental wellbeing, stress management, work-life balance, psychosocial support, employee engagement, and safe workplace practices in all operational locations.	Risks: Burnout, absenteeism, accidents, low morale, reduced productivity, attrition, and mental health challenges in high-pressure regulated environments.	Engineering Controls, Personal Protective Equipment (PPEs); Safety trainings, Safety management systems, Hazardous material storage controls, safety audits and accreditations, health check-ups, counselling support, wellness initiatives, safe workplace practices, flexible policies where feasible, stress management programs, and continuous employee engagement initiatives.
11	Enterprise risk, Emergency Preparedness and business continuity	   	Covers identification, assessment, monitoring, and mitigation of strategic, operational, environmental, regulatory, financial, and health and safety risks. Includes disaster management, fire safety, chemical spill response, pandemic preparedness, cyber incidents, and continuity of manufacturing and R&D operations.	Risks: Operational shutdowns, industrial accidents, fire and chemical hazards, supply disruptions, financial losses, regulatory penalties, and reputational damage.	Enterprise Risk Management framework, business continuity planning, mock drills, emergency response systems, disaster recovery planning, crisis management teams, safety audits, insurance coverage, and scenario testing.

SI	Material Topic	Linkage with UN SDGs	Description	Identified Risks and Opportunities	Mitigation Measures (Risk)
12	Waste and Effluent Management	  	Relates to handling, treatment, storage, transportation, recycling, and disposal of hazardous and non-hazardous waste, chemical residues, solvent waste, and industrial effluents generated during manufacturing and other operations.	Risks: Environmental contamination, regulatory penalties, community concerns, hazardous exposure incidents, and increased disposal costs.	Effluent Treatment Plants, waste segregation systems, solvent recovery units, authorised disposal partnerships, environmental monitoring, waste minimisation initiatives, and regulatory compliance audits.

Driving Strategic Decisions Through Materiality Insights

The material topics identified from the Double Materiality Assessment (DMA exercise) influence the Company's strategic planning and performance management processes, enabling a more focussed response to evolving stakeholder expectations and emerging sustainability priorities. The material topics form the basis for development and refinement of ESG targets and KPIs, support alignment with investor and ESG rating agency expectations, and guide capital allocation decisions for sustainability-related initiatives. Responsibility for implementing and monitoring actions arising from the DMA exercise is with the Neuland Leadership Council (NLC). Governance is exercised through the ESG Apex Committee, with oversight provided by the Risk & Sustainability Committee of the Board.

ESG STRATEGY

Driving Sustainable Outcomes Through Execution

At Neuland, our ESG strategy and priorities are aligned with the Company's purpose, long-term business strategy and core values, ensuring that sustainability considerations are integrated into decision-making and business operations across the organisation. In support of these priorities, the Company has established medium and long-term ESG goals, supported by annual KPIs that enable the systematic tracking of progress against its strategic commitments. These KPIs are reviewed periodically and presented to the Risk & Sustainability (R&S) Committee as part of the Company's governance and oversight framework.

Environmental, Social, and Governance (ESG) principles are integral to our operations and strategic decision-making. We view ESG as a key driver of sustainable growth, helping us mitigate risks, unlock long-term value, and fulfill our responsibilities to stakeholders and society. In alignment with our materiality assessment and strategic priorities, we continue to advance ESG initiatives across our focus areas. To strengthen accountability and drive execution, ESG KPIs and related initiatives form part of the balanced scorecards of leadership team and cascaded across respective team members, with shared ownership of the Company's sustainability agenda across the organisation.

Sustainability Highlights

- 1

SBTi validation of Company's near-term and long-term emissions reduction targets concluded
- 2

Company's first TCFD report published.
- 3

Achieved CDP ratings of A- for Water Security and B for Climate Change.
- 4

Improved S&P Global ESG Score to 76, up from 70 in the previous assessment.
- 5

Awarded EcoVadis Silver Medal, placing the Company in the 91st percentile globally.
- 6

100% of operational sites certified under ISO 14001, ISO 45001, and ISO 27001.

INTEGRATING ESG INTO OUR SCORECARD

The progress against ESG KPIs, along with the implementation of key ESG initiatives, is monitored by the ESG Apex Committee. Regular reviews are conducted to assess performance, track progress against commitments, identify areas for improvement, and align on priorities and actions

ENVIRONMENTAL

Focus Area	Our Commitments	Key Goals	Progress in FY 2025-26
GHG Emissions and Climate Change	Reduce both direct (Scope 1 & 2) and indirect (Scope 3) emissions. Adopt cleaner technologies and improve energy efficiency.	- FY 2033-34: 58.8% reduction in absolute Scope 1 & 2 emissions (FY 2023-24 baseline) - FY 2049-50: Achieve Net Zero in absolute emissions (subject to residual ~10%) - FY 2033-34: 63.8% reduction in indirect Scope 3 emissions per ton of product manufactured within the same timeframe (FY 2023-24 baseline) - FY 2049-50: Achieve net-zero emissions across operations and value chain (subject to residual ~10%)	- Near and Long-term targets were validated by SBTi in June 2025* - Absolute fuel energy consumption reduced by 1% for coal (FY 2025-26 vs. FY 2024-25) and by 30% for LPG (vs. FY 2023-24 baseline; by 41% vs. FY 2024-25).
Water Neutrality	Improve water use efficiency and move toward water neutrality.	- FY 2034-35: Achieve 25% water neutrality - FY 2049-50: Achieve 100% water neutrality	- Water audits completed in all three manufacturing units 10% reduction in consumption by investing in aerator fixtures with water saving flow in all taps across Units - Water body rejuvenation project (CSR) initiated during previous year FY2024-25 helped in collecting an estimated surface water of ~10,000 m3 in FY2025-26
Waste and Effluent management	Maintain Zero Liquid Discharge (ZLD) status, reduce solid waste, and ensure 100% co-processing.	- Maintain Zero Waste to Landfill 100% Co-processing of waste - Maintain ZLD status of effluents	100% Zero waste to landfill maintained 99.9% of Hazardous waste co-processed/ Reused 100% ZLD status maintained
Green Chemistry and Green manufacturing	Drive sustainable R&D and technology innovation to reduce environmental impact.	Adoption of Green Chemistry and aim to achieve Zero solvent carbon footprint	3 products actively considered for Green Chemistry initiatives - During FY 2025-26, LCA study for Mirtazapine - our second LCA was initiated

*For more details, please refer to the SBTi Validation Report available on the Company's website.

SOCIAL

Focus Area	Our Commitments	Key Goals	Progress in FY 2025-26
Occupational Health and Safety (including mental health and well-being)	Strive for a Zero Harm environment across all operations.	- Maintain Zero Fatality - Maintain Nil Lost Time Injury Frequency Rate (LTIFR)	Continue to maintain performance of Zero Fatalities and Nil LTIFR
Human Capital (incl. DEI, talent management, succession and L&D)	Promote equal opportunity and build a more inclusive workplace. Promote well being and a safe to work	- FY 2029-30: 10% women in management - FY 2029-30: 16% of all hirings will be women	- YTD Mar 2026 = 8.7% - YTD Mar 2026 = 12.7%
Community Well-being	Support health, education, and livelihood initiatives for underserved communities.	Ensure Planned social impact investments on well-being of neighboring communities is maintained, while expanding the reach of CSR to larger population	Over 90% of social impact investments in FY 2025-26 were made for the well-being of neighboring communities.

GOVERNANCE

Focus Area	Our Commitments	Key Goals	Progress in FY 2025-26
Product Quality and Regulatory compliance	Strong Quality Culture	Maintain 100% compliance across GMP operations	All our manufacturing locations undergo regulatory audits annually, and all three units have successfully completed USFDA inspections in previous years. Most recently, Unit II completed its USFDA inspection in 2025.
Business Continuity & Risk Management	Build resilience through enterprise-wide risk management, crisis readiness, and business continuity plans.	Strengthen crisis management and business continuity capability	BCM program implementation in line with ISO 22301 in progress
Digitalisation	Leverage digital tools for transparency, efficiency, and data-driven decision-making.	>90% of business processes digitised across key functions by FY 2029-30	5 -year Digital, Analytics & AI Roadmap aligned with our strategic priorities developed actions are underway.
Sustainable Supply Chain	Build a responsible and transparent supply chain that supports sustainability goals.	Sustainable Supply Chain roadmap with clearly-defined milestones	Roadmap for sustainable supply chain developed and actions are underway

GOVERNANCE, RISK AND SUSTAINABILITY

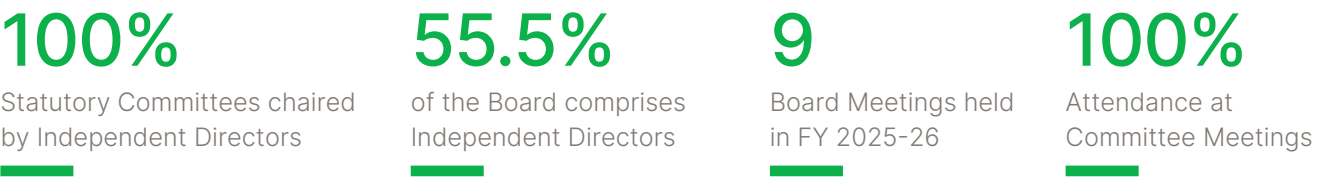
Managing Uncertainty, Building Resilience

At Neuland, we believe that sustainable growth can be achieved through transparent decision-making, ethical business practices, and proactive management of risks and opportunities.

Guided by strong Board oversight, management accountability, and robust policies and processes, we are committed to maintaining high standards of corporate governance and responsible business practices.



Board Governance highlights

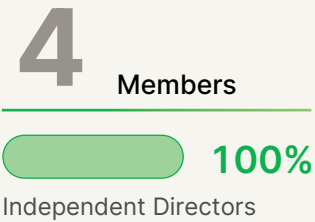


Board Governance

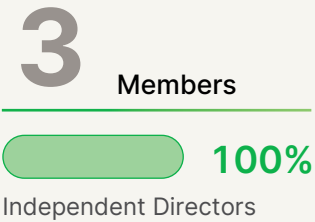
Neuland's **single-tier** Board comprises individuals with diverse expertise, experience, and perspectives, enabling effective decision-making and strong oversight. The Board provides strategic direction across key areas including business performance, governance, risk management, compliance, sustainability, and stakeholder interests. Its diverse composition strengthens oversight and supports balanced decision-making aligned with the Company's long-term strategy.

The Board is supported by its Committees, which provide focussed oversight across critical areas such as Audit, Risk Management, Sustainability, Nomination and Remuneration, Stakeholder Relationships, and Corporate Social Responsibility. In May 2026, the Board further strengthened its governance framework by constituting a Strategy & Technology Committee to provide focussed oversight of the Company's strategic plan through periodic reviews , evaluation of strategic proposals and making recommendations to the Board.

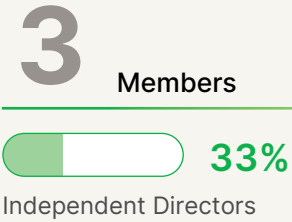
Audit Committee*



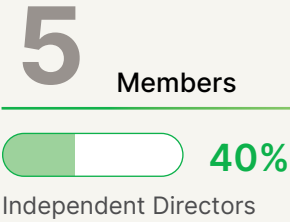
Nomination & Remuneration Committee*



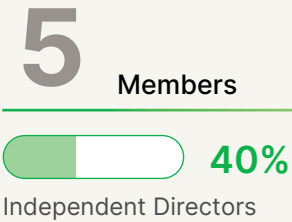
Stakeholders Relationship Committee*



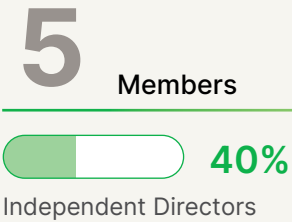
Strategy and Technology Committee*



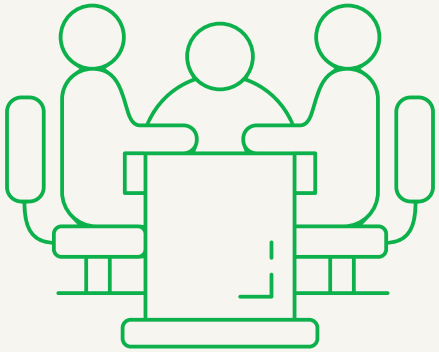
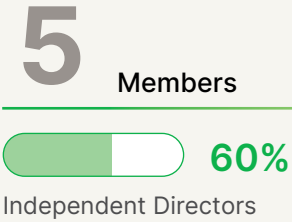
Finance Committee



Corporate Social Responsibility Committee*



Risk & Sustainability Committee*



* Chaired by Independent Director

The Company's governance framework is reinforced through regular Board and Committee meetings, periodic reviews of strategic priorities, and continuous oversight of emerging business and sustainability risks.

The Board Committees undertake detailed deliberations on matters within their respective mandates and regularly apprise the Board of their discussions, key observations, and recommendations.

As part of its commitment to strong corporate governance, the Company also facilitates separate meetings of the Independent Directors with the Statutory, Secretarial, and Internal Auditors, in the absence of management, to enable open and independent discussions.

Cross-Functional Expertise

The Board and its Committees bring together diverse expertise spanning pharmaceuticals, manufacturing, research and development, finance, strategy, risk management, sustainability, information technology, cyber security, and corporate governance, enabling informed decision-making and effective oversight.

Cross-membership across Board Committees promotes collaboration, strengthens the flow of information, and enables a coordinated approach to governance, risk oversight, sustainability, and strategic priorities.

Board Effectiveness

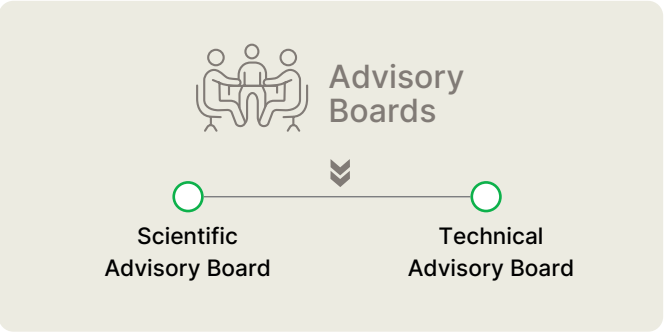
The Board's effectiveness is reviewed annually through a structured evaluation process covering the performance of the Board, its Committees, the Executive Chairman, the Executive Vice-Chairman and CEO & Managing Director,

and individual Directors. The assessment also considers the quality of deliberations, strategic guidance, governance, and stakeholder engagement.

The evaluation provides insights into strengths and opportunities for enhancement, supporting the Board's ongoing commitment to continuous improvement. The outcomes, together with feedback from the separate meeting of the Independent Directors, are discussed by the Executive and Non-Executive Directors to identify actions that further strengthen Board effectiveness.

Advisory Boards

Complementing the oversight provided by the Board and its Committees, the Company is guided by non-statutory Advisory Boards focussed on technology and research and development. Their insights help informed strategic decisions and ensure the Company remains aligned with evolving industry trends, customer expectations, and technological advancements.



Expertise of our Board Members (%)

100%

Strategy & Risk Management and Health, Safety, Environment and Sustainability, IT and Digital Technology

88.89%

Pharmaceutical Industry / Chemical Manufacturing and Development, Expertise in Financial Matters, Executive Leadership and Board Experience, and Corporate Governance

77.78%

Sales, Marketing and Market Strategy

66.67%

M&A/Capital Markets

55.55%

Cyber Security

Risk Management

Neuland's Enterprise Risk Management (ERM) framework provides a structured approach to identifying, assessing, monitoring, and mitigating strategic, operational, financial, compliance, technology, environmental, social, and governance-related risks. Risk ownership is clearly assigned across functions, with mitigation actions regularly reviewed by management and the Board to ensure effective oversight.

The Company continually strengthens its risk management capabilities through structured assessments, periodic monitoring, and active engagement with leadership teams.

Risk Management Process

Risks are identified through management reviews, functional assessments, business continuity planning, strategic discussions, and stakeholder engagement. Regular reviews evaluate changes in the operating environment, business priorities, regulatory landscape, and emerging risk trends.

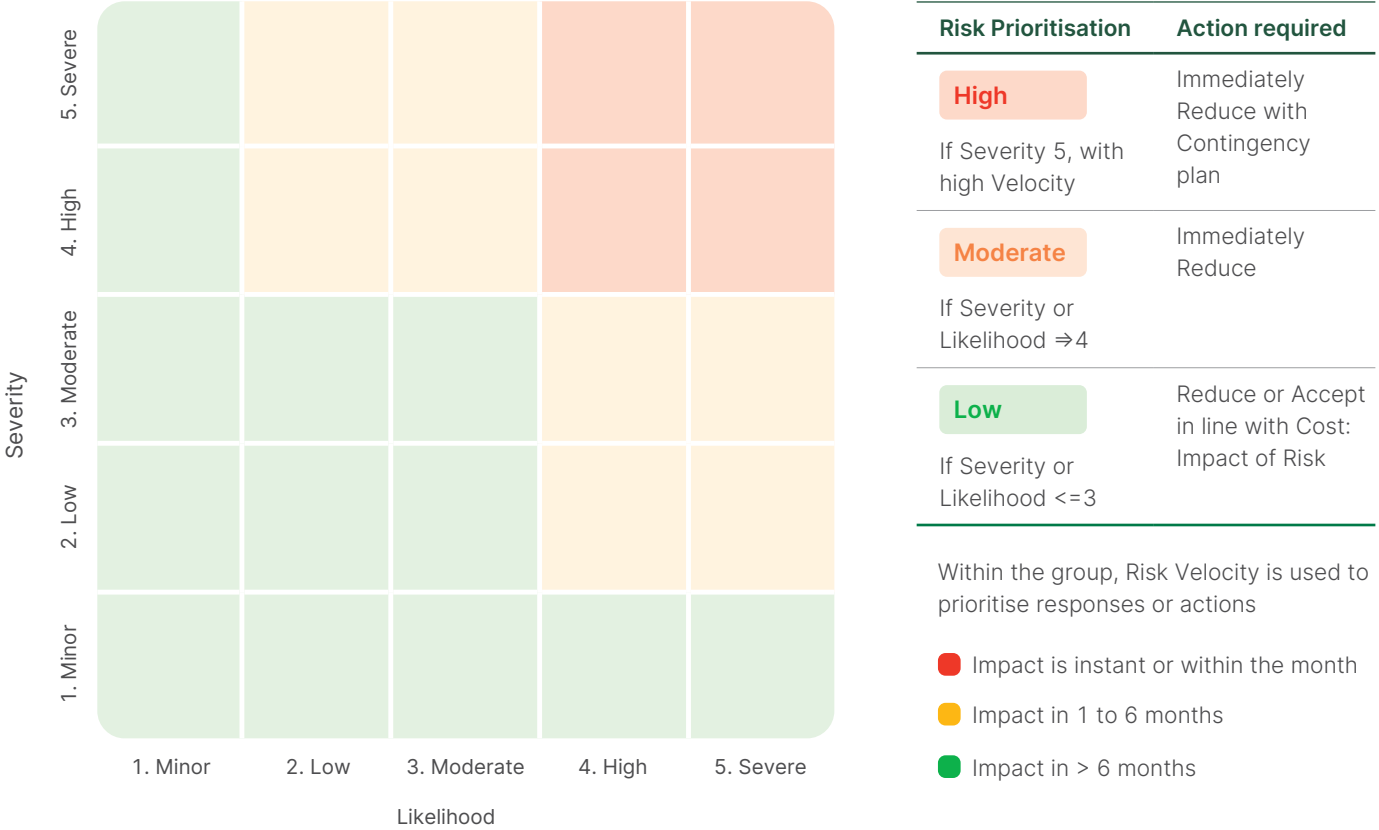
Each risk is assessed based on its likelihood, potential impact, velocity, and business implications, enabling consistent prioritisation and timely mitigation.

Risk Appetite Matrix and Response Framework

Neuland's Risk Matrix provides a disciplined framework for evaluating and prioritising risks. Based on the assessment, risks are managed through appropriate response strategies, including mitigation, continuous monitoring, contingency planning, or acceptance, aligned with the Company's risk appetite and business objectives.



Neuland’s Risk Appetite Matrix and Response Framework



During May 2025, the risk management policy and risk prioritisation and response framework was reviewed and the criteria was updated in line with the growing business requirements.

Integration of ERM with Resilience and Sustainability

Neuland's Business Continuity Management (BCM) prioritisation framework is integrated with its Enterprise Risk Management (ERM) framework, embedding risk assessment and business resilience into decision-making. During FY 2025-26, the ERM framework was further extended to support the Company's Double Materiality Assessment (DMA), strengthening the integration of sustainability considerations into enterprise risk management and vice-versa.

Key Risks

Neuland continuously monitors internal and external risks that could impact business performance, resilience, and long-term value creation. Oversight of the Company's risk universe is provided through the Risk and Sustainability Committee and the Audit Committee.

The Risk and Sustainability Committee oversees key strategic and operational risks, including:

- Health and safety
- Product quality and regulatory compliance
- Cybersecurity, information security, and AI
- Commercial execution
- Macroeconomic and geopolitical developments
- Supply chain
- Human capital
- Business growth and strategy
- ESG and climate change

The Audit Committee provides focussed oversight of:

- Financial reporting
- Operational processes and internal controls
- Ethics and compliance

Mitigation plans are established for all material risks and are regularly reviewed to strengthen organisational resilience, business continuity, and long-term preparedness.

Risk Theme	Rationale	Risk Rating (Based on Likelihood and Severity)	Velocity	More information available at
Health and safety	Inherent to chemical and API industry			Human Capital
Product quality and pharma regulations	Risks inherent to pharmaceutical industry			Manufactured and Intellectual Capital
Cybersecurity and information security risks, including AI	Increasing external drivers			Intellectual Capital
Commercial and execution	Internal drivers			Intellectual and Manufactured Capital
Macroeconomic and geopolitical	External drivers			Emerging Risks
Supply chain	Inherent to pharmaceutical industry and external drivers			Supplier Relationships: Advancing Sustainable and Reliable Procurement
Human capital	Internal/external Drivers			Human Capital
Business growth and strategic priorities	Internal/external Drivers			Strategic Priorities
ESG and Climate Change	Internal/external drivers			ESG Strategy and Natural Capital

Low Moderate High >6 months 1-6 months Instant to 1 month

FY 2025-26 was characterised by increased global uncertainty arising from war and conflicts, evolving tariff regimes, inflationary pressures, and changing geopolitical alignments.

Against this backdrop, the Company continued to evolve its Governance, Risk and Compliance (GRC) framework by strengthening focus on emerging risks, and balancing its oversight on strategic, operational, regulatory, technology, supply chain, and sustainability-related risks. The Company's approach remained focussed on enhancing resilience, and safeguarding long-term value creation for stakeholders, while attempting to mature its risk management program.

Fostering a Risk-Aware Culture

Neuland is committed to embedding risk awareness across the organisation by encouraging employees and leadership teams to proactively identify, assess, escalate, and manage risks within their areas of responsibility. This culture is reinforced through orientation and risk workshops, management reviews, clearly-defined accountabilities, and the integration of risk considerations into business planning and performance management. Together, these efforts support informed decision-making and strengthen organisational resilience.

Monitoring Emerging Risks

The Company continuously monitors emerging risks arising from shifts in the business environment, technology, regulation, geopolitics, sustainability expectations, and market dynamics. Through industry assessments, stakeholder engagement, benchmarking, and strategic reviews, Neuland identifies evolving risks and opportunities that could influence future performance. These assessments support long-term planning and enable timely, proactive responses.

Risk Management in FY 2025-26

Climate Risk Assessment and TCFD Reporting

During the year, Neuland completed a comprehensive climate risk assessment across all locations and published its inaugural Task Force on Climate-related Financial Disclosures (TCFD) report, further integrating climate considerations into its enterprise risk framework. The assessment identified key climate-related risks, existing mitigation measures, and future action plans. The Company also established a shadow carbon price, based on benchmark data, which is now incorporated into capital expenditure decisions. Additional details are available in the TCFD report on the Company's website [here](#).

Advancing Risk Management Maturity

As part of its ongoing commitment to strengthening enterprise risk management, Neuland participated in Aon's Risk Maturity Index (RMI) assessment during FY 2025-26. The Company achieved an overall maturity score of 3.0 out of 5.0, reflecting a structured and well-established risk management framework. The assessment also identified opportunities to further enhance risk quantification capabilities and deepen risk awareness across the

organisation. Improvement initiatives have been incorporated into functional KPIs and are currently being implemented.

Strengthening Business Continuity

Neuland continued to enhance its Business Continuity Management (BCM) framework by aligning it with the ISO 22301:2019 standard. During the year, the Company strengthened continuity strategies for critical products, adopted a more integrated approach to risk and resilience, and enhanced crisis management and communication preparedness. As part of the certification journey, Neuland successfully completed the Stage 1 audit in April 2026 and received clearance to proceed to Stage 2, scheduled for Q2 FY 2026-27. Upon certification, the Company will be among the early adopters of ISO 22301:2019 within the pharmaceutical sector.

Cybersecurity Risk Management and Data Privacy

Neuland recognises cybersecurity and data privacy as critical business priorities. The Company has established robust governance, controls, and processes to safeguard information assets, ensure business continuity, and protect stakeholder data.

Its cybersecurity framework is supported through leadership oversight, clearly defined roles and responsibilities, periodic risk assessments, technology-enabled controls, employee awareness programmes, and continuous monitoring. The framework is regularly strengthened to address evolving cyber threats, emerging technologies, and changing regulatory requirements.

Progress in FY 2025-26

During the year, the Company continued to enhance its cyber resilience by monitoring the evolving threat landscape and identifying potential high- and medium-impact cyber risks. Investments in advanced security tools and technologies have strengthened detection capabilities, reduced the attack surface, and improved overall cyber preparedness.

Neuland also leverages threat intelligence advisories and continuously monitors its IT environment through Security Operations Centre (SOC) and Security Information and Event Management (SIEM) platforms. Potential incidents are promptly investigated, prioritised, and resolved through a structured incident management process.

These initiatives reflect the Company's continued evolution from a tool-based security approach towards an integrated model of continuous cyber resilience, governance, and risk management.

Cybersecurity Governance

Neuland adopts a both, a top-down and bottom-up approach to cybersecurity governance, with active oversight from the Board and leadership. The CEO and Managing Director sponsors the Company's cybersecurity programme, reflecting its strategic importance. Oversight is further strengthened through the Risk and Sustainability Committee, which includes members with expertise in information technology and cybersecurity.

Cybersecurity governance operates through clearly defined roles and responsibilities. The Chief Information Security Officer (CISO) oversees day-to-day cybersecurity operations and reports to the Chief Information Officer (CIO), who regularly updates the CEO & Managing Director on the Company's cybersecurity posture, emerging risks, and key initiatives.

During FY 2025-26, cybersecurity and AI readiness formed part of dedicated deep-dive reviews presented to the Risk and Sustainability Committee, reinforcing Board oversight of evolving technology risks and opportunities.

AI Risk and Opportunity Management

As part of its multi-year digital transformation journey, Neuland accelerated the adoption of Artificial Intelligence (AI) across manufacturing, quality, R&D, supply chain, HR, and other business functions. Working closely with cross-functional teams, the Company identified high-value AI use cases and initiated multiple proof-of-concepts to drive operational efficiency, innovation, and business value.

To support responsible adoption, Board members, senior management, and identified employees received training on AI-related opportunities and risks, while Board Committees were periodically updated on AI initiatives and governance. More details on the Company's AI-led initiatives are presented across the relevant capitals, including Intellectual Capital.

Responsible AI Governance

During FY 2025-26, the Company introduced its AI usage Policy to promote the ethical, secure, and compliant use of AI across the organisation. The policy aims to ensures the ethical, secure, and compliant use of Artificial Intelligence (AI) tools within Neuland.

Accessible through the Company intranet, the policy applies to all employees using AI tools for business-related activities.

Ethics, Compliance and Integrity

Ethical conduct and regulatory compliance remain fundamental to Neuland's culture and governance framework. Employees are expected to uphold the highest standards of integrity and conduct business in accordance with applicable laws, regulations, internal policies, and the Company's Code of Conduct.

This culture is reinforced through structured onboarding, annual refresher programmes, end-of-year affirmations, targeted awareness campaigns, and digital learning modules delivered through the Company's Learning Management System (LMS). Employees are also provided with established mechanisms to report concerns and potential violations, fostering transparency, accountability, and responsible decision-making across the organisation.

The Company's statutory compliance framework supports adherence to applicable legal and regulatory requirements through technology-enabled monitoring, periodic reviews, internal audits, and ongoing compliance assessments. During FY 2025-26, Neuland completed an independent review of key compliance obligations, with no material deviations identified.

Together, these initiatives strengthen governance, enhance organisational accountability, and reinforce stakeholder trust while supporting sustainable long-term value creation.

Our Policies

Neuland's policy framework establishes clear principles and guidelines across governance, ethics, compliance, sustainability, human rights, risk management, information security, employee conduct, and stakeholder engagement.

Policies are periodically reviewed and updated to reflect evolving regulations, business priorities, and industry best practices, ensuring their continued relevance and effectiveness.

Together, the framework promotes consistent decision-making, strengthens accountability, and reinforces the Company's commitment to responsible and sustainable business practices.

Data Privacy

Our Data Privacy Policy is applicable to the Company and its subsidiaries. This procedure is applicable to all personnel including employees, trainees, third-party contractors, vendors, interns, and other personnel with access to Neuland information, information assets and information processing facilities.

Privacy risk and compliance is a shared responsibility between the functions and our IT Department. As a B2B pharmaceutical manufacturing company, our exposure to Personally identifiable information is limited to our customers, vendors, employees and other service providers.

Data privacy clauses are included in our contracts including customer, vendor, service providers, consultants and employee contracts.

A Data Privacy Officer has been designated to understand and manage privacy issues, and can be reached at dpo@neulandlabs.com

IT Controls Supporting Data Privacy

Our organisation has implemented comprehensive controls including data privacy, aligned with the key ISO 27001:2022. These controls ensure that personal data is securely managed through defined responsibilities, risk assessments, and protective measures.

Access to sensitive information is strictly controlled and monitored to prevent unauthorised disclosure, in accordance with access management policies. Periodic internal and external ISMS audits are conducted to maintain the effectiveness of these controls including incident response plans to address any potential privacy breaches promptly.

Overall, our privacy framework integrates risk-based approaches and continuous improvement to uphold confidentiality, integrity, and availability of personal information. In case of breaches, our Data Privacy Policy also provides for the enforcement methodology including consequences of violations which could lead to termination.

During FY 2025-26, there were Zero major security, privacy, and data breach incidents. As part of our Business Continuity Management system, IT disaster recovery drills were also conducted to identify weaknesses and address the same.

Commitment to Ethics and Compliance

Neuland is committed to fostering a culture of integrity, transparency, accountability, and responsible business conduct. Through continuous awareness programmes, employee engagement initiatives, and leadership-led communication, the Company reinforces ethical behaviour, compliance, and responsible decision-making across the organisation.

Employees are expected to uphold the Company's values, adhere to its policies, and contribute to a respectful, inclusive, and compliant workplace.

Compliance Awareness and Employee Engagement

The Company regularly conducts awareness programmes and engagement initiatives to strengthen understanding of ethical conduct, regulatory obligations, and key organisational policies. These include Compliance Awareness Month, targeted training sessions, and periodic compliance pledges that encourage employees to reaffirm their commitment to integrity, accountability, and responsible business practices.

Code of Ethical Conduct and Whistleblower Mechanism

Neuland's Code of Ethical Conduct defines the standards expected of all employees, covering integrity, professionalism, respect, and ethical business behaviour. The Company also maintains a robust Whistleblower Mechanism that enables employees and stakeholders to confidentially report concerns relating to unethical conduct, fraud, policy violations, or other inappropriate activities, with protection against retaliation and a fair investigation process.

Although no changes were made to the Code of Ethical Conduct during FY 2025-26, the Company digitised employee and senior management affirmations covering ethics, compliance, and key corporate policies, strengthening governance, accountability, and record management.

AVAILABLE ON THE WEBSITE OF THE COMPANY

- Anti-Bribery and Anti-Corruption (ABAC) & Anti-Money Laundering (AML) Policy
- Corporate Social Responsibility (CSR) Policy
- Dividend Distribution Policy
- Code of Conduct for Board Members and Senior Management Personnel
- Related Party Transaction Policy
- Neuland Code of Fair Disclosures
- Material Event Policy Neuland
- Nomination and Remuneration Policy
- Policy for Determining Material Subsidiary
- Whistle Blower Policy
- Global Tax Policy
- Position on Policy Advocacy
- Supplier Code of Conduct
- Human Rights Commitment
- Prevention of Workplace Discrimination & Equal Opportunities Employment
- Code of Ethical Conduct
- EHS & S Policy
- Climate Change and Energy Policy
- Water Stewardship Policy
- Product End of Life Policy
- Air Pollution Control Policy
- Biodiversity Conservation and No Deforestation Policy

AVAILABLE ON THE INTRANET OF THE COMPANY

- Neuland Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives
- Information Security-related policies
- HR-related policies
- Environment, Health & Security-related policies
- Business Continuity Policy
- Risk Management Policy
- AI Usage Policy
- Sustainable Procurement Policy

During the year, certain policies were reviewed and revised to align with amendments in laws, evolving practices and with leading industry practices, including the following:

- Code of Internal procedures and Conduct for regulating, monitoring and reporting of trading by designated persons & their immediate relatives

Progress in FY 2025-26

During the year, Neuland further strengthened its compliance framework through a Data Privacy Gap Assessment to develop an implementation roadmap aligned with the Digital Personal Data Protection Act (DPDPA), while advancing readiness for evolving labour code requirements.

The Company also expanded its compliance awareness programme through structured training on the Code of Ethical Conduct, quality, cybersecurity, insider trading, POSH, whistleblower practices, and data privacy. To enhance engagement and accountability, e-learning modules with assessments were introduced for key policies.

These initiatives continue to strengthen governance, reinforce a culture of compliance, and enable the Company to balance business agility with robust risk management and regulatory compliance.

ESG Governance

Neuland has established a structured ESG governance framework that integrates sustainability into strategic decision-making and day-to-day operations.

At the organisational level, the ESG Apex Committee, comprising senior leaders accountable for ESG, provides strategic direction and oversees the Company's sustainability agenda. The Committee sets ESG priorities, approves key initiatives, monitors progress against targets, and ensures alignment with the Company's long-term strategy.

Supporting this is the ESG Core Committee, comprising of representatives from corporate and operational functions. Meeting monthly, the Committee drives implementation, monitors ESG projects and performance metrics, addresses compliance requirements, and coordinates cross-functional



execution. ESG objectives are further embedded across the organisation through Heads of Departments (HODs), who are responsible for integrating sustainability goals into their respective functions. Progress is tracked through monthly KPIs aligned with the Company's sustainability targets, while employees are supported through regular training and expert guidance.

At the operational level, cross-functional teams lead the execution of ESG initiatives, delivering measurable outcomes across areas such as decarbonisation, employee well-being, resource efficiency, and responsible sourcing.

At the Board level, ESG oversight is entrusted to the Risk and Sustainability Committee, which provides strategic guidance on sustainability matters and ensures ESG priorities remain aligned with the Company's long-term business objectives. The Committee also reviews ESG performance, monitors key risks and impacts, and oversees the effectiveness of governance systems supporting the Company's sustainability agenda.



As a signatory to the UN Global Compact (UNGC), Neuland has continued to strengthen its sustainability journey through focussed investments and enhanced ESG integration.

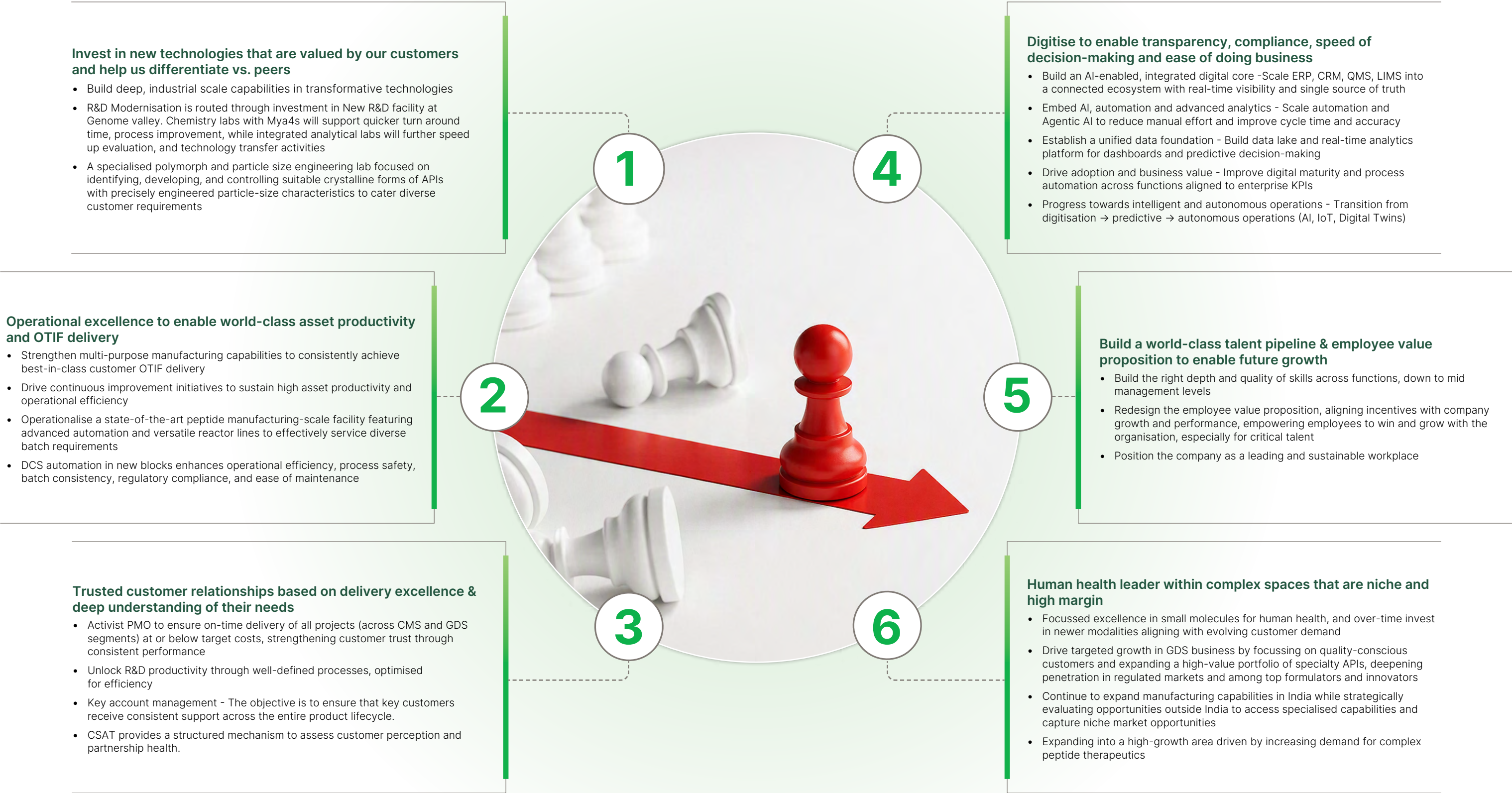
During FY 2025-26, the Company achieved several important milestones, including validation of its near-term and net-zero targets by the Science Based Targets initiative (SBTi), the launch of its supplier sustainability programme through EcoVadis, and submission of its

second CDP disclosure. Neuland also published its inaugural TCFD report and completed its first Double Materiality Assessment, integrating sustainability impacts and related financial risks into the Company's Enterprise Risk Management (ERM) framework and vice-versa.

Beyond these milestones, the Company advanced multiple sustainability initiatives across its business functions, with their respective contributions and outcomes presented under the relevant capitals in this Integrated Report.

STRATEGIC PRIORITIES

Execution at Every Step



STAKEHOLDER ENGAGEMENT

Advancing Trusted Relationships with Disciplined Engagement



Customers

Our customers are central to our mission of enabling better health outcomes. Their trust, insights and evolving expectations guide our innovation priorities and reinforce our focus on consistent, high-quality delivery.

How We Engage

- Customer meetings and site visits
- Customer audits and reviews
- Structured feedback mechanisms and surveys
- Strategic engagement with key accounts

Topics of Relevance

- Market expansion and geographic reach
- Product and service innovation
- Delivery performance, quality and compliance
- Transparency, reliability and ethical conduct

Key Focus Areas

- Product quality and supply reliability
- Customer satisfaction and retention
- Regulatory compliance

Frequency of Engagement

Frequent

Capitals Impacted



SDG alignment



Employees and Workers

Our employees are integral to our success. Their expertise, commitment and contributions drive innovation, strengthen execution and uphold our culture of integrity.

How We Engage

- Performance reviews and employee surveys
- Training programmes and toolbox talks
- Digital and on-site communication platforms
- Leadership walkthroughs and site interactions

Key Focus Areas

- Talent development and retention
- Occupational health and safety and well-being
- Diversity, equity and inclusion

Capitals Impacted



Topics of Relevance

- Organisational updates and industry developments
- Capability building and performance management
- Health, safety and well-being
- Culture, values and recognition

Frequency of Engagement

Daily and ongoing

SDG alignment



Board and Committees of the Board

The Board and its Committees provide strategic direction, oversee risks and uphold strong governance standards, supporting the Company's ability to deliver sustained value to stakeholders.

How We Engage

- Board meetings and presentations
- Operational and strategic reporting
- Governance and awareness sessions

Key Focus Areas

- Corporate governance and ethics
- Risk and compliance management
- Business resilience
- Sustainability and ESG

Capitals Impacted



Topics of Relevance

- Strategy, performance and capital allocation
- Risk management and internal controls
- ESG priorities and compliance
- Audit, legal and business continuity

Frequency of Engagement

At least once a quarter

SDG alignment





Suppliers

Suppliers are key partners in our value chain. We work closely with them to maintain quality standards, ensure regulatory compliance and promote responsible sourcing practices.

How We Engage

- Supplier audits and performance reviews
- Ongoing operational and technical discussions
- Grievance redressal mechanisms
- Targeted engagement on priority topics

Key Focus Areas

- Supply chain resilience
- Responsible sourcing
- Quality assurance

Capitals Impacted



Topics of Relevance

- Quality and cGMP compliance
- Responsible sourcing and ESG expectations
- Supply continuity and reliability
- Cost and efficiency optimisation

Frequency of Engagement

Frequent and need-based

SDG alignment



Local Communities

As a responsible corporate citizen, we work to enhance the quality of life of local communities through inclusive development and sustainability initiatives.

How We Engage

- Community outreach and field visits
- CSR and sustainability programmes
- Local stakeholder consultations

Key Focus Areas

- Community impact and development
- Environmental management
- Social responsibility

Capitals Impacted



Topics of Relevance

- Community development and livelihoods
- Environmental stewardship
- Health and education initiatives

Frequency of Engagement

Frequent and need-based

SDG alignment



Government and Regulators

We maintain a constructive relationship with regulatory authorities to ensure compliance, support business continuity and contribute to evolving policy frameworks.

How We Engage

- Regulatory submissions and disclosures
- Facility inspections and structured interactions
- Ongoing communication through official channels

Key Focus Areas

- Regulatory compliance
- Product safety and quality
- Ethical business practices

Capitals Impacted



Topics of Relevance

- Regulatory approvals and compliance
- Quality and safety standards
- Support for product development and operations

Frequency of Engagement

Event-based and as required

SDG alignment



Investors and Financial Partners

Investors are key partners in our growth. We remain committed to transparent disclosures and to building long-term trust through consistent performance and ongoing engagement.

How We Engage

- Quarterly earnings calls and investor meetings
- Annual and sustainability reporting
- AGMs and regulatory disclosures

Key Focus Areas

- Financial performance and growth
- Transparency and disclosures
- Governance and risk oversight

Capitals Impacted



Topics of Relevance

- Financial performance and outlook
- Strategy and capital allocation
- Risk management
- ESG performance and disclosures

Frequency of Engagement

Quarterly and need-based

SDG alignment



For further details and related disclosures, please refer to the BRSR section on page 178

FINANCIAL CAPITAL

Advancing Trust through Financial Discipline

Finance is evolving into a more strategic driver of performance, capital allocation and risk management. As scale and complexity increase, the focus is on providing forward-looking insights and enabling better decisions across the business.

In a year marked by higher capital commitments and operating volatility, emphasis has been on balancing growth with resilience. Sharper forecasting, disciplined capital allocation and tighter cash flow management are strengthening predictability, safeguarding balance sheet health and reinforcing stakeholder confidence.

Key Highlights

₹ 2,053.15 crore

Total Income

29.4%

EBITDA Margin

₹ 1,864.98 crore

Net Worth

₹ 347.58 crore

Cashflow from Operations

₹ 397.13 crore

Capex

26.1%

Return on Capital Employed

Execution Enablers

Forward-looking performance management

Stronger cash flow and balance sheet oversight

Disciplined capital allocation and review

Early warning, risk surfacing and scenario-based analysis

Strategic Priorities Aligned

S6

Material Matters

- Sustainable Supply Chain
- Product Quality and Regulatory Compliance
- Digitalisation and AI Adoption
- Enterprise Risk, Emergency Preparedness and Business Continuity

BRSR Linkages

Principle 1

Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

UN Sustainable Development Goals



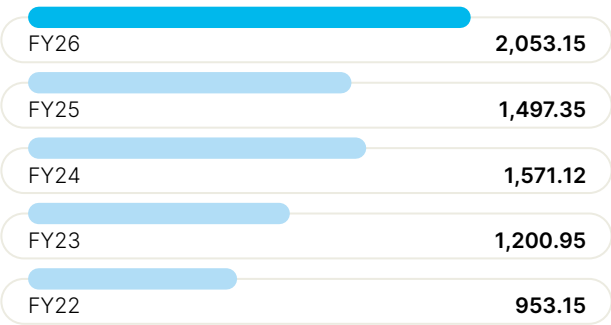
Key Stakeholders Impacted

Investors and shareholders

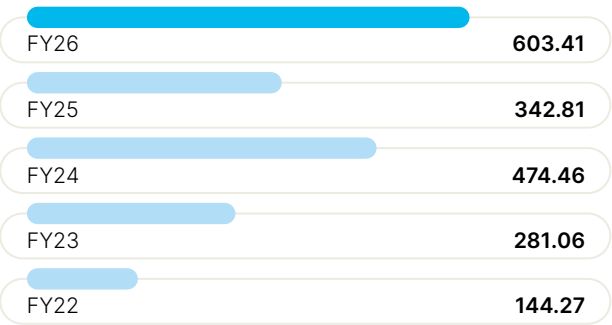
Regulators and policy makers

KEY PERFORMANCE INDICATORS

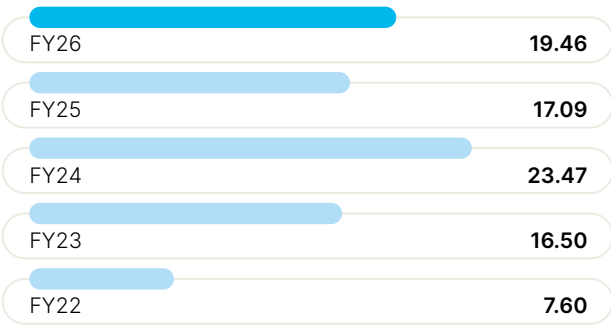
Total Income (₹ in crore)



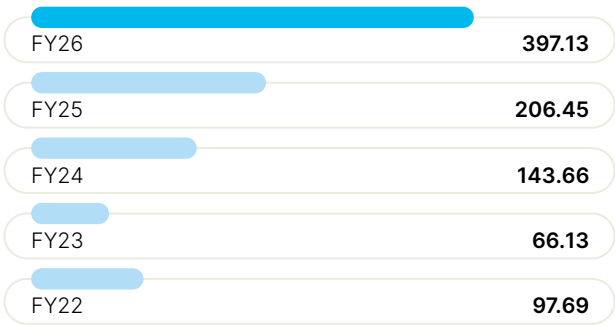
EBITDA (₹ in crore)



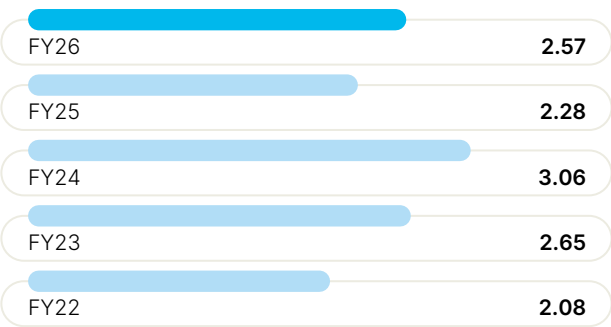
Return on Equity (in %)



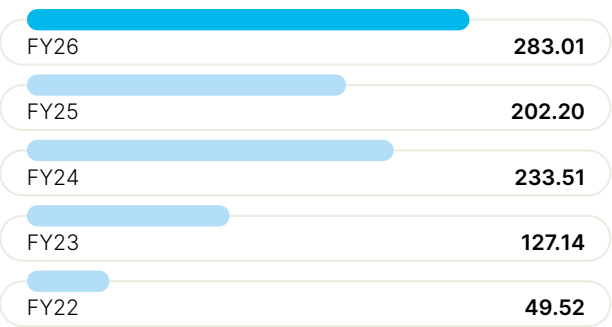
Capex (₹ in crore)



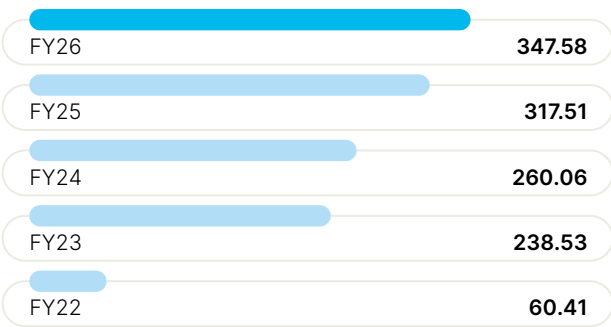
Fixed Asset Turnover Ratio



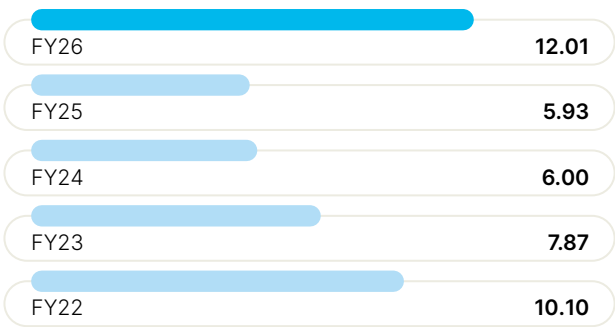
EPS (₹ per share)



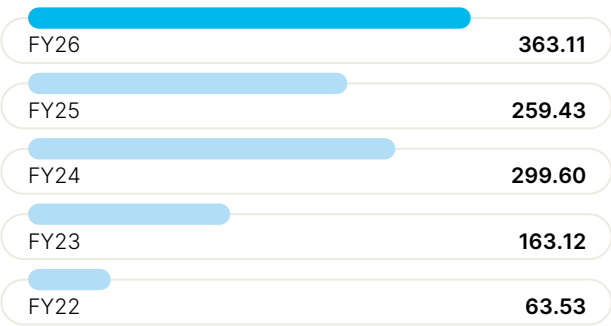
Cashflow from Operations (₹ in crore)



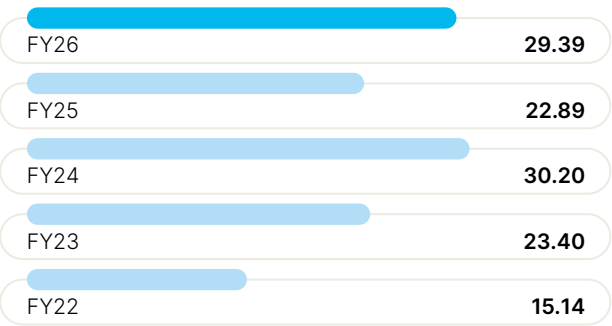
Dividend Payout Ratio (in %)



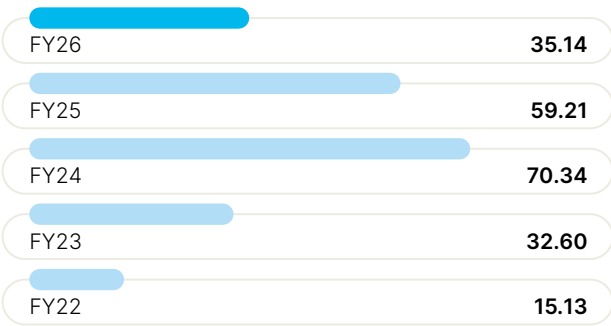
Profit After Tax (₹ in crore)



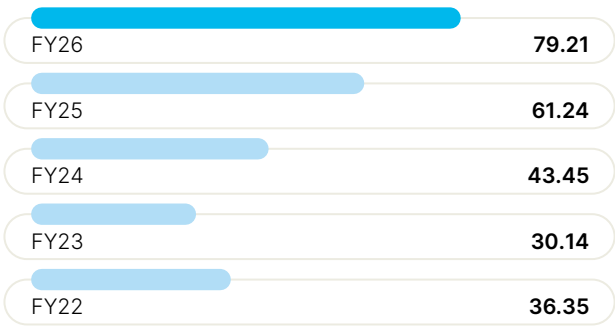
EBITDA Margin (in %)



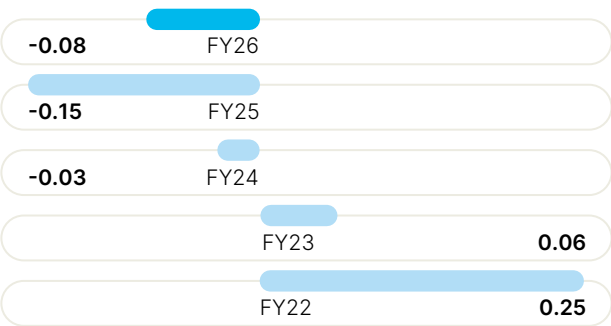
Interest Coverage Ratio (in times)



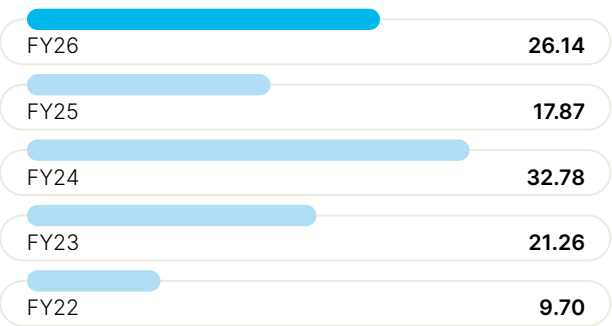
R&D Expenditure (₹ in crore)



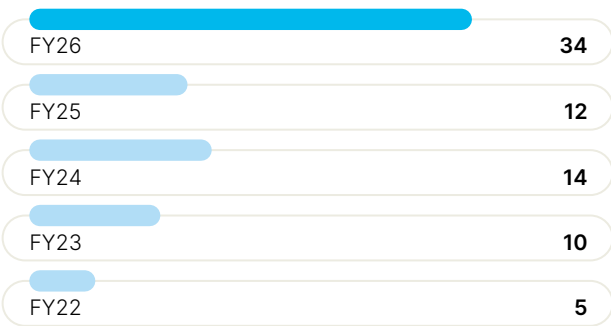
Net Debt to Equity (in times)



Return on Capital Employed (in %)



Dividend Per Share (₹)



Performance in a Year of Transition

FY 2025-26 was marked by year-on-year revenue growth with greater volatility at the EBITDA and profit levels. This reflected timing-related execution factors, shifts in business mix and a higher cost base arising from investments made to support future growth, even as contribution remained resilient.

Momentum also varied across businesses, with CMS recording strong year-on-year growth. Taken together, these indicate that FY 2025-26 was a transition year, where operational reliability and predictability became as important as demand in shaping financial outcomes and stakeholder confidence.

Strengthening Visibility and Forecast Discipline

One of the most meaningful shifts during the year has been the moving away from post-facto reporting towards earlier identification of risks and performance gaps. As business complexity increases, Finance is increasingly expected to interpret drivers, assess trade-offs and support action before issues fully crystallise.

Forecasting is becoming more tightly linked to confirmed orders, customer timelines and project milestones, supported by a higher-frequency review rhythm and deeper root cause analysis. Over the past 12-18 months, the operating model has also been strengthened through structured zero-based budgeting, enhanced forecasting cadence, deeper Audit Committee engagement and improved capex governance, improving transparency, decision quality and accountability across the organisation.

Focus Areas

- Higher-frequency forecasting and performance review
- Driver-based analysis and root cause visibility
- Stronger linkage between planning and customer realities
- Earlier identification of risks and performance gaps

Capital Allocation with Long-Term Discipline

FY 2025-26 reinforced a key strategic reality: growth in CMS, advanced GDS products and emerging platforms is inherently capital-intensive and front-loaded. This has made capital prioritisation, cash flow forecasting and disciplined review more central to Finance than before.

Capital allocation during the year remained focussed on manufacturing expansion, R&D and capability building across strategic growth areas. At the same time, the Company accepted a deliberate trade-off: near-term pressure on margins and return ratios in order to build long-term scalability, manufacturing-readiness and future capacity. Governance around capital deployment has also become more rigorous, with more frequent checkpoints, closer monitoring of execution and periodic reassessment of return assumptions.

Focus Areas

- Capital deployment aligned to strategic growth areas
- Stronger review of assumptions, returns and execution
- Balance between speed of investment and financial control
- Focus on long-term value creation over short-term metrics



Balancing Growth, Cost and Financial Resilience

Several decisions in FY 2025-26 involved explicit trade-offs between speed and control, cost and capability, and short-term profitability and long-term returns. These choices reflect the demands of an investment-led phase, where the business is building capacity and capability ahead of normalisation in returns.

Operating expenses increased during the year, driven by employee costs, manufacturing overheads, digitisation and external support. This reflects our conscious decision to build organisational capability and execution readiness rather than protect margins in the short-term. At the same time, structured budgeting, productivity initiatives and clearer ownership of cost drivers are strengthening cost discipline and improving decision-making.

Cash flow and working capital discipline remain strategic priorities during this phase. Close monitoring of receivables, inventory, payables and funding requirements is helping improve financial flexibility, while stronger reporting and more structured review mechanisms are supporting better cash conversion without constraining operational needs. Shareholder returns also continue to be considered within financial planning, ensuring that long-term value creation and balance sheet resilience remain aligned.

Focus Areas

- Clearer visibility into operating expense drivers
- Stronger ownership and control across functions
- Tighter monitoring of receivables, inventory and payables
- Focus on cash conversion, liquidity and balance sheet resilience

Strengthening Financial Accountability

As the business expands across GDS, CMS and newer platforms, sharper segment-level accountability for performance and capital deployment is becoming increasingly important. Finance is playing a more active role in enabling clearer economic ownership across segments and functions.

Initial steps towards segment-level profitability visibility and structured accountability frameworks are expected to strengthen decision-making, improve visibility into value creation and align capital allocation more closely with business performance.

Managing Risk through the Investment Cycle

The financial risk profile in FY 2025-26 broadened beyond traditional P&L performance risk. Key risks include execution risk on large capex and projects, margin volatility arising from uneven order flows and operating leverage, and liquidity and leverage pressures during the investment phase.

These risks are being addressed through enhanced forecasting, stronger capex review mechanisms, closer oversight of working capital and regular engagement with senior leadership. The emphasis is increasingly on anticipating constraints and trade-offs early, rather than responding after the fact.

Focus Areas

- Monitoring execution risk on capital projects
- Managing margin volatility and forecast credibility
- Protecting liquidity and leverage discipline
- Earlier identification of constraints and trade-offs

Embedding ESG into Capital Decisions

ESG considerations are increasingly embedded into financial planning and capex decisions as long-term value drivers. Sustainability-linked investments, including renewable energy initiatives, are being evaluated alongside financial returns, reflecting a more integrated approach to capital allocation.

Focus Areas

- ESG considerations in capex capital allocation
- Evaluation of sustainability-linked investments
- Focus on long-term value protection and efficiency
- Alignment between financial planning and responsible growth

Tax Strategy and Governance

Our approach to taxation is guided by responsible governance, transparency and long-term value creation. We view tax compliance as an important element of stakeholder trust and ensure that all tax-related matters are handled with integrity, fairness, legality and clarity.

While recommending dividends, the Board considers macroeconomic conditions, sectoral developments, business performance and future investment requirements. In FY 2025-26, the dividend pay-out of approximately 12.01% of Profit After Tax (PAT) reflected a balanced capital allocation approach, rewarding shareholders while retaining capital for future growth.

The Company has a simple corporate structure and limited transactional complexity with its subsidiaries. Accordingly, it does not require an elaborate tax structuring framework. However, our tax approach remains firmly aligned with responsible tax principles, including adherence to the spirit and letter of applicable tax laws, avoidance of artificial structures without commercial substance, non-transfer of value to low-tax jurisdictions, use of the arm’s-length principle in transfer pricing and non-utilisation of secrecy jurisdictions or tax havens for tax avoidance.

This commitment applies across the Group and is publicly available through our disclosures and corporate website. It is endorsed by the Board of Directors, ensuring strong oversight, accountability and alignment with the Company’s governance standards.

We maintain transparent and constructive engagement with tax authorities and seek timely resolution of tax matters. Direct and indirect taxes are periodically reviewed and audited by statutory and tax auditors to ensure compliance with applicable laws and regulations. Tax contingencies and claims, wherever applicable, are disclosed in the Financial Statements. Our Global Tax Policy is available on the Company’s website.

Contributions and Other Spendings

The Company does not make political contributions or engage in lobbying activities. Contributions and memberships are undertaken transparently and are aligned with business relevance, industry participation, security collaboration, capability building and community engagement.

In FY 2025-26, reported amounts primarily included membership fees and contributions to recognised industry bodies and associations such as the Bulk Drug Manufacturers Association (India) (BDMA), Confederation of Indian Industry (CII), Pharmexcil, Federation of Telangana Chambers of Commerce and Industry (FTCCI), Society for Cyberabad Security Council (SCSC) and Society for Sangareddy Security Council (SSSC). These contributions are not in the nature of political funding or lobbying.

(All amounts are in Indian Rupees)

Reporting Area	FY 2025-26 (₹)	FY 2024-25 (₹)	FY 2023-24 (₹)	FY 2022-23 (₹)
Lobbying, Interest representation or similar	0	0	0	0
Local, regional or national political campaigns/organisations/ candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks) Other led spending ballet	74,90,970*	62,78,754	32,30,431	18,55,276
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
Total of the above	74,90,970*	62,78,754	32,30,431	18,55,276

*Includes contributions made by company to SCSC and SSSC in the nature of CSR, made through the Neuland Foundation.

Tax Reporting

The Company follows a transparent tax reporting framework aligned with the scale, structure and nature of its operations. Neuland has two wholly-owned subsidiaries, Neuland Laboratories K.K., Japan and Neuland Laboratories Inc., USA, which primarily provide marketing and business support services.

The Company does not have any joint ventures or associate entities, and there was no material change in the nature of business of its subsidiaries during the reporting period. Our tax reporting approach supports consistency, accountability and transparency across the Group’s financial disclosures.

The following table provides an overview of key business, financial and tax information for each tax jurisdiction for the year FY 2025-26.

(₹ in lakhs)

Particulars	Neuland Laboratories Ltd, India	Neuland Laboratories K.K., Japan	Neuland Laboratories Inc, USA	Interunit Elimination	Consolidated Total
Primary Activity	Pharma API and CDMO Manufacturing and Sales	Marketing and Business Support Services	Marketing and Business Support Services	-	-
No. of Employees	2,183	2	4	-	2,189
Total Income (₹ in lakhs)	2,05,314.93	307.33	1,852.74	(2,159.84)	2,05,315.16
Profit Before Tax	48,773.31	16.65	107.75	-	48,897.71
Income Tax Accrued (current year)	12,462.81	6.18	28.88	-	12,497.87
Income Tax Paid	10,339.58	11.23	1.96	-	10,352.77

The audited financials of our subsidiaries can be accessed from our website at <https://www.neulandlabs.com/en/investors/financials-and-reports/subsidiary-financials>

(₹ in crore)

Particulars	FY 2025-26	FY 2024-25	FY 2023-24
Gross Revenue	2,022.99	1,476.84	1,558.58
Revenue from financial investments and other sources	30.16	20.51	12.54
Direct Economic Value Generated (A)	2,053.15	1,497.35	1,571.12
Operating Costs	1,038.85	816.05	793.50
Employee Benefit Expenses	328.82	261.40	248.53
Payment to Providers of Funds	23.95	8.30	14.00
Other Expenses	167.71	137.70	111.35
Payment to Government	124.63	85.95	101.17
CSR Spend	6.09	4.92	2.97
Direct Economic Value Distributed (B)	1,690.04	1,314.32	1,271.52
Economic Value Retained (A - B)	363.11	183.03*	299.60

* During the previous year, Economic Value Retained excludes exceptional item of ₹76.40 crore



Advancing Trust through Manufacturing Excellence

At Neuland, manufacturing is defined by the consistency and reliability of execution at scale. As product complexity and customer expectations evolve, the function is transitioning from a largely execution-focussed role to a more strategic and capability-driven engine, with a stronger focus on enabling long-term growth, reliability and regulatory readiness.

Our manufacturing network is steadily becoming a more technology-enabled, future-ready platform. Investments in automation, digitalisation, buffer capacity and sustainability are strengthening execution discipline, enhancing scalability and enabling greater operational control, allowing us to deliver with confidence while reinforcing stakeholder trust.

Key Highlights

1,218 KL
API manufacturing capacity

170 KL/day
solvent recovery system

18.5 KL
hydrogenation reaction volume

57 KL
cryogenic reaction volume

20
production blocks
(2,800–4,500 m² each)

Execution Enablers

Technology-led execution across manufacturing

Scalable and flexible production network

Strengthened reliability and OTIF focus

Sustainability integrated into operations

Strategic Priorities Aligned

- S1
- S2
- S4
- S6

Material Matters

- Product Quality and Regulatory Compliance
- Green Chemistry & Sustainable Manufacturing
- Digitalisation and AI Adoption

BRSR Linkages

Principle 2
Businesses should provide goods and services in a manner that is sustainable and safe

Principle 6
Businesses should respect and make efforts to protect and restore the environment

Principle 9
Businesses should engage with and provide value to their consumers in a responsible manner

UN Sustainable Development Goals



Key Stakeholders Impacted

- Customers
- Employees and workers
- Government and regulators

Delivering Through an Integrated Manufacturing Network

Our manufacturing footprint around Hyderabad operates as an integrated and scalable network, combining flexibility, consistency and regulatory rigour. They combine backward integration with multipurpose manufacturing capabilities. Together, the three facilities support a wide range of APIs across volumes, chemistries and customer requirements, while maintaining uniform standards of quality, compliance and execution.

As portfolio complexity increases, the focus is on strengthening system-led manufacturing across sites. Standardised practices, stronger governance and growing digital integration are enabling more consistent execution, improved asset utilisation and greater responsiveness to changing demand.



Unit I Bonthapally



Established as our first manufacturing facility, Unit I continues to support a broad API portfolio across therapeutic segments. Its scale and flexibility enable efficient manufacturing while maintaining strong quality and regulatory standards.

Highlights

A new block of capacity 19 KL was established to support large-volume GDS commercial products. Work also progressed on creating a dedicated peptide manufacturing block, strengthening readiness for future growth areas.

8

production blocks

25

cryogenic reaction volume

256 KL

API manufacturing capacity

100 KL/day

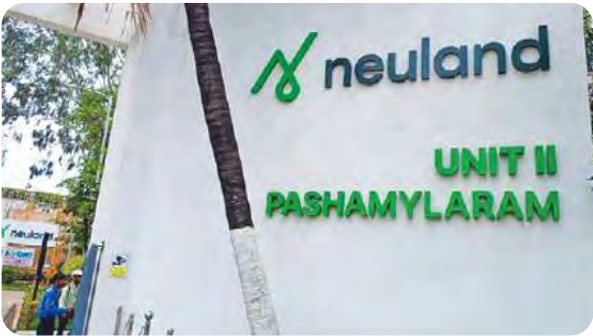
solvent recovery system

7 KL

hydrogenation reaction volume

USFDA, EDQM, PMDA, WHO-Geneva, COFEPRIS, ANVISA regulatory approvals

Unit II Pashamylaram



Unit II remains a key facility for complex and high-value APIs, supported by multipurpose manufacturing capabilities that allow flexibility across products and processes. Its ability to handle varied requirements supports both portfolio depth and execution consistency.

Highlights

Block 4 was extended during the year to improve throughput and support higher manufacturing intensity in line with business requirements.

8

production blocks

17

cryogenic reaction volume

380 KL

API manufacturing capacity

20 KL/day

solvent recovery system

6 KL

hydrogenation reaction volume

USFDA, ANVISA, COFEPRIS and MOH-Russia regulatory approvals

Unit III Gaddapotharam



As the newest facility in the network, Unit III reflects a stronger focus on building more automated, flexible and future-ready manufacturing infrastructure. It supports scale-up, portfolio diversification and improved execution through higher levels of process control and digital integration.

Highlights

A new 52 KL manufacturing block was commissioned during the year. In addition, blocks which were designed to operate single product were modified to operate in multi product facility to create flexibility across the network.

7

production blocks

39

cryogenic reaction volume

585 KL

API manufacturing capacity

50 KL/day

solvent recovery system

6 KL

hydrogenation reaction volume

USFDA, ANVISA, PMDA regulatory approvals

Investing in Scalable and Future-Ready Infrastructure

Manufacturing investments during the year were guided by a clear focus on strengthening long-term scalability, flexibility and execution reliability. Capacity creation and infrastructure upgrades were aligned to the Strategic Business Plan, ensuring readiness to support both existing products and emerging portfolio opportunities. Opportunities were explored to introduce new technologies and replace conventional process equipment to reduce human interventions and exposure to chemical processes.

Beyond capacity addition, our emphasis has been on building flexibility into the network. Select facilities have been designed or adapted to support multipurpose manufacturing, enabling faster response to changing demand patterns and product requirements. This is complemented by targeted debottlenecking and buffer capacity creation, improving resilience against demand variability while supporting consistent delivery performance.

In parallel, investments are increasingly directed towards specialised capabilities. The development of dedicated infrastructure for peptides reflects a deliberate move towards complex and high-value segments, supported by the ability to scale from development to commercial manufacturing.

Focus Areas

Targeted capacity enhancement to support portfolio growth	Expanded infrastructure to enhance throughput and flexibility	Strengthened buffer capacity for key products	Advancing development of dedicated peptide manufacturing capabilities
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Driving Execution Excellence across Manufacturing

As manufacturing complexity increases, our focus is on strengthening execution discipline, standardisation and consistency across sites. Efforts during the year were directed at building a more system-driven operating model, moving away from site-specific practices towards integrated and uniform execution.

performance alignment, supported by enhanced engagement across teams.

A greater emphasis is also being placed on data-driven performance management. Common metrics such as OTIF, cycle time, right-first-time and asset utilisation are being tracked through structured dashboards, driving consistency and continuous improvement across sites. Equipment and performance standardisation initiatives are further improving asset reliability and reducing downtime.

In parallel, capability building remains a key priority. Focussed training and structured shopfloor engagement are strengthening ownership, improving alignment and enabling more consistent execution across all levels.

Focus Areas

Standardisation of processes and practices across sites	Stronger governance and multi-level review mechanisms	Data-driven performance management and KPI alignment	Enhanced focus on top products	Capability building and shopfloor engagement
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Advancing Manufacturing through Automation and Digitalisation

Technology adoption continues to strengthen execution reliability, process control and regulatory readiness across manufacturing. During the year, the focus was on expanding automation and building a stronger digital backbone to support consistent and scalable operations.

underway in existing facilities. In addition, nearly 50% of manufacturing equipment is now integrated with centralised data acquisition systems, improving process visibility and enabling more informed decision-making.

Digital initiatives are progressing towards greater traceability and control, with the roadmap including electronic batch manufacturing records and advanced analytics. These efforts are aimed at reducing variability, improving predictability and strengthening compliance, while creating a foundation for AI-led tools in process optimisation.

Distributed Control Systems are being adopted as a standard across new manufacturing blocks, with parallel upgrades

Focus Areas

Expansion of DCS-based automation across manufacturing blocks	Integration of equipment with centralised data acquisition systems	Strengthening process visibility and decision-making through digital tools	Progress towards electronic batch manufacturing records	Building readiness for AI-led analytics and optimisation
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Embedding Sustainability into Manufacturing Operations

Sustainability considerations are increasingly integrated into manufacturing decisions, with a focus on balancing operational performance with environmental responsibility. During the year, initiatives were undertaken to improve resource efficiency, reduce environmental impact and strengthen long-term resilience.

Process improvements also focussed on lowering resource intensity, including reduced liquid nitrogen usage through alternative cooling systems and improved water efficiency through changes in vacuum systems.

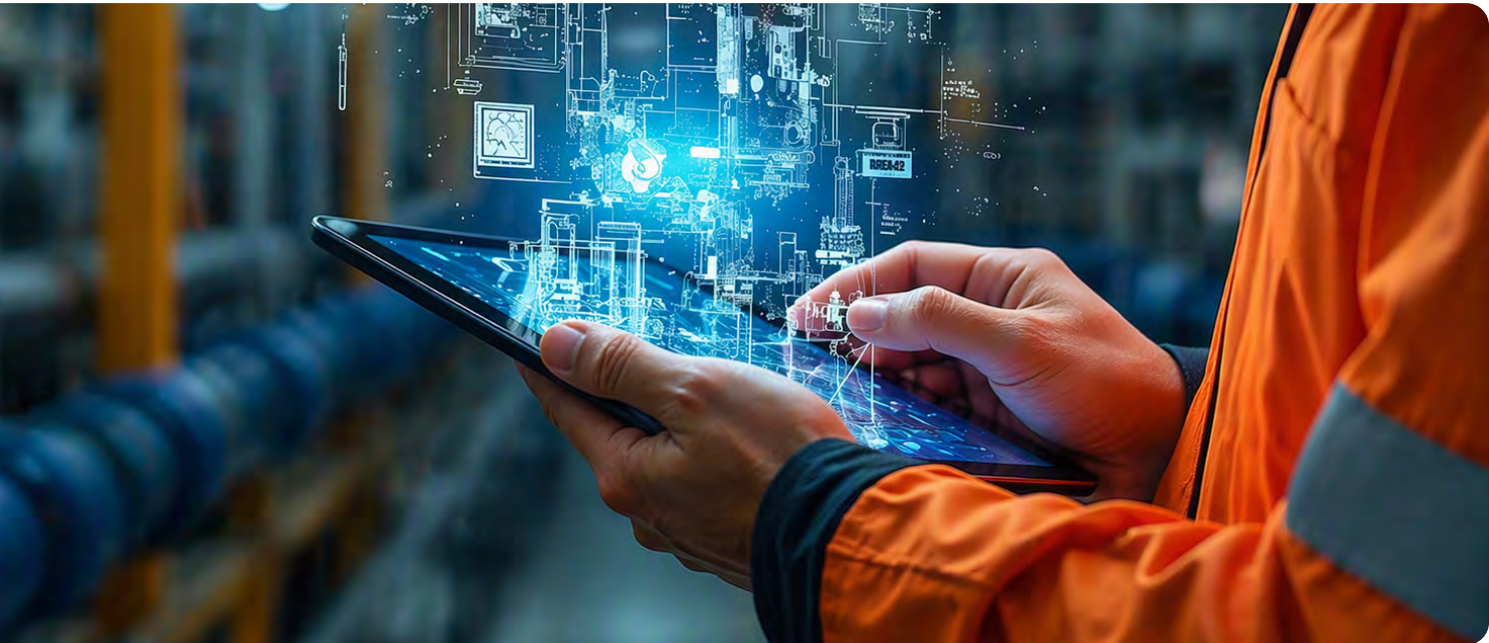
These initiatives are aligned with broader ESG commitments, including progress towards science-based targets, reflecting a more integrated approach where sustainability is embedded within everyday manufacturing practices.

Efforts were directed towards optimising energy consumption through utility automation and improved thermal efficiency, alongside reducing dependence on conventional fuels.

Our sustainability initiatives covering energy, emissions, water, waste and health and safety are covered in more detail in the Natural and Human Capital sections of this report.

Focus Areas

Energy efficiency through utility and process optimisation	Reduced fossil fuel dependency and improved thermal efficiency	Lower water consumption and effluent generation	Resource-efficient process design	Alignment with ESG commitments and science-based targets
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AI in Manufacturing

We are currently conducting Proof of Concepts (POCs) for AI-assisted improvements across several key areas, including predictive maintenance for equipment, process optimisation using machine learning models, and enhanced quality control through automated image analysis. These AI-driven initiatives aim to improve operational efficiency, reduce downtime, and ensure consistent product quality.

By exploring and evaluating these technologies, we are positioning ourselves to leverage artificial intelligence for better decision-making, enhanced manufacturing capabilities, and long-term operational excellence. These efforts reflect our commitment to innovation and continuous improvement as we prepare to integrate advanced digital solutions into our manufacturing processes.

Upholding Quality and Regulatory Excellence

Quality and compliance remain central to manufacturing, underpinning operational reliability and the trust placed in us by customers and regulators. As scale and complexity increase, the focus is on strengthening systems that ensure consistency, data integrity and inspection readiness across all sites.

Efforts during the year were directed at reinforcing quality governance through structured review mechanisms, improved cross-functional alignment and greater use of digital tools. These measures are enhancing process control, reducing variability and enabling more proactive risk management across the manufacturing network.

Continuous improvement initiatives, supported by stronger surveillance and corrective action systems, are strengthening execution discipline and supporting right-first-time performance. Regulatory outcomes and ongoing customer audits continue to reflect the robustness of our quality systems and our commitment to maintaining global standards.

Focus Areas

Strengthened quality governance and review frameworks	Enhanced data integrity and process control	Improved inspection-readiness across sites	Proactive risk management and surveillance systems	Continued focus on right-first-time performance
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Product Quality Programs

Neuland’s Product Quality Programs are designed to ensure that every batch released to customers meets the highest global standards of safety, efficacy and compliance. The framework integrates preventive systems, rigorous quality oversight, continuous improvement mechanisms and structured avenues for internal and external stakeholder engagement.

Preventing and Addressing Defective Products

Robust controls are built into every stage of the manufacturing and quality lifecycle to prevent defective products from reaching customers.

Internal Audits of the Quality Management System

The effectiveness of the Quality Management System (QMS) is reinforced through a comprehensive internal audit program (2 levels, at site level half-yearly and by CQA annually)including mock regulatory audits to strengthen audit readiness.

External Verification and Standards Compliance

Neuland’s manufacturing sites are routinely inspected by global regulatory authorities, independent auditors and customers. The QMS is aligned with internationally recognised frameworks including:

- cGMP requirements across major markets
- ISO 9001 and relevant quality system principles
- Inspections by USFDA, EDQM, EMA, PMDA, ANVISA, TGA, WHO-Geneva, COFEPRIS, MFDS and other agencies

Training and Capability Development in QMS

Quality culture is reinforced through structured, role specific training programs that ensure all employees clearly understand their responsibilities. Training modules are periodically updated to reflect evolving regulatory expectations and internal quality priorities.

Mechanisms for External Stakeholders to Submit Quality Concerns

Neuland has established formal channels for customers and external stakeholders to submit product quality complaints or queries. Direct customer feedback channels are managed by the Quality Unit. All complaints are Logged into a centralised complaint management system and acknowledged within defined timelines (typically 24–48 hours). Complaints are investigated through structured root cause analysis and impact assessment. Corrective and preventive actions are implemented where necessary. Complaint trends are reviewed by senior leadership to identify systemic improvement opportunities and strengthen product quality performance.

Driving Execution Excellence across Quality Unit

Quality continues to be core to Neuland’s manufacturing strategy, ensuring that every product meets the highest standards of safety and efficacy. In FY 2025-26, we made substantial progress in reinforcing our Quality Management System (QMS) through a combination of technology enablement, process discipline, and a culture rooted in ownership and accountability.

Our digitalisation efforts were accelerated with the rollout of new Laboratory Information Management System (LIMS) modules for finished product testing, stability studies, and lab chemical management. Additionally, tools such as SAP S/4 HANA, Quality by Design (QbD) frameworks, and a structured three-tier quality review system were deployed to enhance data integrity, process control, and regulatory-readiness.

To strengthen our quality-first culture, we focussed on deepening shopfloor engagement and leadership visibility across all units. Exhaustive training on cGMP and ALCOA principles, as well as structured interactions between manufacturing, R&D, and supply chain teams, ensured alignment on quality objectives and proactive risk mitigation. Cross-functional discussions and leadership involvement played a vital role in fostering a mindset of shared responsibility and continuous improvement.

Continuous improvement remained a key focus, with initiatives such as the Investigation Surveillance Programme, Regulatory Surveillance Programme, and horizontal deployment of Corrective and Preventive Actions (CAPA) to control non-conformances, improve Right First Time (RFT) performance, and accelerate batch release timelines. These efforts have directly contributed to enhanced operational efficiency, compliance adherence, and customer trust.

We successfully completed major regulatory inspections, including a USFDA audit at Unit-2, reaffirming our adherence to global quality standards. All three manufacturing sites were awarded ISO 9001:2015 certification, further validating our quality systems. Over 80 customer audits (CMS & GDS) were conducted during the year, none of which reported critical observations. These audits offered valuable opportunities to continually improve our QMS, which we embraced in the right spirit.



INTELLECTUAL CAPITAL

Advancing Trust through Scientific Depth

Intellectual capital at Neuland underpins our ability to solve complex chemistry challenges and support evolving customer pipelines. It brings together scientific talent, specialised infrastructure, digital systems and proprietary know-how to deliver reliable, high-quality outcomes across development and commercial stages.

In FY 2025-26, we sharpened our focus on complex and high-value modalities, supported by investments in R&D infrastructure, scientific capability and digital enablement. These efforts have strengthened our ability to support more specialised development programmes, deepen customer relevance and reinforce our position in the CDMO landscape.

Key Highlights

300+
API processes developed till date

430+
scientists across R&D, analytical and process engineering

2
new DMF filings worldwide

204+
patents filed till date

17
patents filed in FY 2025-26

Execution Enablers

Scientific depth in complex chemistry

Digital systems supporting compliance and visibility

Integrated R&D, manufacturing and quality

Structured project governance

Strategic Priorities Aligned

S1 S4 S6

Material Matters

- Information and Cyber Security
- Digitalisation and AI Adoption
- Product Quality and Regulatory Compliance
- Green Chemistry & Sustainable Manufacturing
- Enterprise Risk, Emergency Preparedness and Business Continuity

BRSR Linkages

- Principle 2**

Businesses should provide goods and services in a manner that is sustainable and safe
- Principle 4**

Businesses should respect the interests of and be responsive to all their stakeholders

UN Sustainable Development Goals



Key Stakeholders Impacted

- Customers
- Employees

Key R&D Initiatives in FY 2025-26

Advancing Complex Chemistry Capabilities

Multi-step synthesis, impurity control, and process optimisation for differentiated, high-value APIs.

Scaling Peptide Research and Development

Strengthening peptide capabilities through specialised infrastructure, talent, and process expertise.

Strengthening R&D Infrastructure

Expanding and upgrading R&D facilities to support scale, parallel development, and complex modalities.

Enhancing Analytical and Process Development Capabilities

Upgrading analytical systems and process platforms to improve precision, reproducibility, and efficiency.

Embedding Digital and Data-led Approaches

Using digital tools and data systems to improve decision-making, visibility, and execution.

Advancing Green Chemistry and Sustainable Process Development

Integrating sustainability into route selection through solvent screening, waste minimisation, and energy-efficient processes.

R&D Infrastructure

Our R&D centre in Hyderabad, approved by the Department of Scientific and Industrial Research (DSIR), is supported by specialised infrastructure that enables complex chemistry, efficient scale-up and high-quality outcomes across development stages.

During the year, it was decided to relocate and significantly scale up the existing R&D facility to address evolving business requirements. Backed by an investment of around ₹190 crore, the new purpose-built R&D campus is expected to span around 135,000–140,000 sq. ft. and provide a more scalable and future-ready infrastructure base. Once completed, the expanded facility will support advanced research in peptides and other complex chemistries, enable parallel project execution and create greater room for interdisciplinary collaboration.



- **DSIR, Government of India recognised R&D centre**
- **15 development laboratories**, including 3 dedicated peptide labs.
- **70 fume hoods** supporting multi-project execution
- **Analytical laboratories** with advanced instrumentation
- **600 MHz NMR** supporting structural characterisation and analysis

~4X increase in R&D footprint underway

R&D facility relocation and scale-up

₹ 79.2 crore

R&D investments in FY 2025-26 (↑ 29% YoY)

Shift Toward Higher-Value, Complex Modalities

Our R&D focus continued to shift towards more differentiated and technically demanding programmes. This included a more selective approach to niche, lower-volume products, stronger participation in earlier-stage development programmes, particularly in Phase I and Phase II, and greater emphasis on modalities with higher entry barriers and long-term relevance.

This shift reflects changing customer expectations, with global pharmaceutical companies consolidating supplier bases, prioritising partners with strong technical capability and seeking longer-term development relationships. At the same time, pricing pressures in commodity APIs have reinforced the need to prioritise molecules that offer stronger differentiation and are less exposed to commoditisation.

Capabilities across multi-step synthesis, advanced route scouting, impurity control and process optimisation continued to deepen in support of these priorities. Focus areas such as catalysis, asymmetric synthesis and earlier-stage impurity risk assessment also strengthened scientific capability across selected programmes, while greater use of regulatory-grade documentation systems improved readiness for more demanding development pathways.

Peptides as a Strategic Platform

Peptides became a sharper area of strategic focus, supported by investments across R&D and manufacturing. This includes the scaling up of peptide synthesis capacity and the development of a multi-product peptide manufacturing facility, reflecting a clear commitment to building peptide capabilities as a scalable platform for both the CMS and GDS businesses.

0.5 KL to 6+ KL

Peptide synthesis capacity scaling by FY 2026-27

R&D Teams and Capability Building

Strengthening of R&D teams continued in line with the increasing scientific complexity of our portfolio and the evolving requirements of the CDMO business. This included the recruitment of PhD-level talent with expertise in complex chemistry, alongside the onboarding of specialised chemists to address advanced research needs.

The emphasis remained on scientific specialisation rather than generalist scaling. This approach enabled the development

of deeper capability per scientist across critical domains such as complex synthesis, regulatory science, data integrity, compliance, and environmental, health and safety (EHS) practices for both laboratory and pilot-scale operations.

In parallel, continued to invest in structured training programs aimed at strengthening regulatory-readiness, improving documentation standards and cross-functional collaboration between R&D and manufacturing teams. Efforts were also directed towards enhancing knowledge capture and retention through the implementation of digital systems.

428

R&D team strength across scientific disciplines

Product and Process Innovation

We filed total 204+ patents for products and processes developed in-house, reflecting our continued focus on innovation and IP-led differentiation. During the year FY 2025-26, we filed two new DMFs.

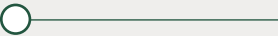
Our process innovation efforts remained focussed on improving efficiency, robustness and scalability across development and commercial programmes. This included route scouting to reduce synthetic steps, improve atom economy, and lower solvent intensity, alongside yield improvement initiatives for existing commercial APIs. Work also progressed on reducing the use of hazardous intermediates and strengthening impurity control strategies, helping improve process consistency and meet regulatory expectations.

Innovation achievements in small molecules and peptides were showcased at the Japanese Process Chemistry Conference, Hiroshima, and the Japanese Peptide Society Conference, Fukuoka

R&D-driven Manufacturing Innovation

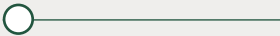
R&D also plays an important role in shaping the environmental footprint of manufacturing operations. Given the high E-factors typically associated with pharmaceutical manufacturing, particularly due to extensive solvent usage, we are working to ensure that sustainable and high-yield methodologies developed at the bench scale can be reliably translated into commercial manufacturing processes.

This is supported by the implementation of a Reproducible Lab framework, which is designed to strengthen consistency between laboratory development and manufacturing scale-up. A structured approach supports this transition through:



Lifecycle Assessment

Integration: All commercial molecules and process routes undergo Life Cycle Assessment evaluations under the GDS6 framework prior to scale-up, helping embed environmental considerations early in development.



Accountability in

Energy Sourcing: Under the Solar-First mandate, we are exploring the adoption of solar energy wherever a chemical reaction can be supported through it.

Regulatory and Quality-by-Design Strengthening

Regulatory-readiness was further strengthened through a more systematic integration of quality and compliance considerations into development. This included expanded risk-based frameworks, greater use of Design of Experiments in early-stage work, more robust impurity and stability risk mapping, and stronger documentation practices aligned with regulatory expectations.

17

Patents filed in FY 2025-26

2

Number of products US DMF

Product Design Criteria

Use-phase sustainability is an important part of a product's environmental and economic performance. Product design therefore focusses on efficient operation, reduced resource consumption, durability, ease of maintenance and responsible user behaviour, while ensuring that performance expectations are met.

1

Energy Efficiency

The product is designed to operate efficiently, with lower power consumption during active and idle use without compromising performance.

2

Resource Optimisation

The product minimises the use of key resources such as water, consumables and auxiliary materials, helping reduce waste during use.

3

Durability and Reliability

Robust design and reliable performance help extend product life, reduce wear and tear, and minimise the need for frequent repairs or replacement.

4

Maintenance and Upgradability

Easy maintenance, replaceable components and upgrade options help extend usability and reduce material waste over time.

5

User Behaviour Enablement

Intuitive interfaces, feedback mechanisms and usage insights help users make more efficient and responsible choices during operation.

6

Reduced Emissions and Environmental Impact

The product is designed to minimise emissions, noise, pollutants and other operational impacts during use.

7

Cost Efficiency for Users

Lower energy and resource consumption help reduce operating costs, creating environmental and economic value across the product lifecycle.

CMS Innovation

CMS accounts for a larger share of R&D activity, reflecting a continued shift towards complex and customised programmes and the growing importance of R&D in partner-specific development. In FY 2025-26, we worked with 39 customers with increased number of projects over the previous year. Our ability to co-develop and scale complex APIs, supported by close integration across R&D, manufacturing and quality, continues to strengthen our position as a trusted partner to global innovators.

Number of Active CMS Projects

Q4 FY 2025-26	Pre-Clinical	P-1	P-2	P-3	Pre-Reg/Reg	Commercial	Grand Total
API	16	13	13	5	3	9	59
Intermediate	4	9	7	5	4	10	39
Grand Total	20	22	20	10	7	19	98

Green Chemistry and Sustainable Process Development

As customer expectations evolve, particularly around Scope 3 emissions and responsible sourcing, sustainability is becoming an increasingly important factor in supplier selection and long-term competitiveness. At Neuland, green chemistry principles are being integrated earlier into R&D, particularly at the stages of route selection and process design.

This approach helps ensure that environmental considerations are built into processes before scale-up, rather than being addressed through later modifications. The focus is on developing scalable processes that are efficient, safe, resource-conscious and aligned with evolving regulatory and customer expectations.

Environmental Stewardship in R&D: Solvent Reduction and Bio-Transformation

Solvents represent significant proportion of process mass in API synthesis, making their reduction critical to improving sustainability metrics such as Process Mass Intensity (PMI). Neuland is therefore executing a multi-phase transition toward greener chemistries and reduced reliance on hazardous reagents.

Biotransformation:

We are systematically replacing chemical synthesis routes with biological systems and enzymatic reactions. Enzymes can achieve a single-step synthesis route to a desired molecule that might otherwise require up to five traditional organic synthesis steps. This bio-transformation strategy is designed to eliminate the need for chlorinated solvents and ethanol across all products and reactions, simultaneously reducing the thermal load on our utility infrastructure. By usage of green solvent like water and ICH class 3 solvents.

The 2030 Mandate:

Neuland has established an ambitious goal to achieve a 50% absolute reduction in chlorinated solvent usage by 2030, benchmarked against 2026 baseline levels.

Future-Proofing for 2035:

Anticipating stringent global regulatory shifts, we are redesigning our processes to operate entirely without the use of recovered solvents by 2035, ensuring unparalleled product purity and environmental compliance.

Green Chemistry in R&D: Key Measures

 Focus Area	 Approach
Solvent Selection Frameworks	Evaluating solvents for toxicity, environmental impact, recyclability and safer alternatives.
Early-stage Screening of Solvent Intensity	Assessing solvent consumption early to optimise processes before scale-up.
Use of Safer Reagents	Using guidance tools to identify lower-hazard reagents and reduce reliance on toxic chemicals.
Waste Minimisation	Designing reactions to reduce by-products, improve purification efficiency and optimise yields.
Process Efficiency and Atom Economy	Improving material utilisation to reduce waste, resource loss and process cost.
Early Tracking of Waste Intensity	Monitoring waste generation during development to identify improvement opportunities.
Energy Use Mapping at Pilot Scale	Identifying energy-intensive steps and optimising heating, cooling and reaction conditions.
Carbon Awareness in Process Evaluation	Considering carbon impact from raw materials, energy use and reaction conditions at early stages.
Preliminary Life Cycle Considerations	Assessing environmental hotspots across sourcing, manufacturing and downstream processes.
Supplier Screening for Key Intermediates	Evaluating suppliers on environmental and responsible sourcing parameters to support Scope 3 reduction.

CASE STUDY

Greener Process Redesign for a Legacy Generic Molecule

Reducing chlorinated solvent use while maintaining process performance

As part of our green chemistry and sustainable process development efforts, we undertook a process redesign exercise for a legacy generic molecule. The objective was to reduce dependence on chlorinated solvents, particularly dichloromethane (DCM), while maintaining product quality, yield and commercial scalability.

Why it mattered

The conventional process used DCM because of its strong solvating ability and ease of phase separation. However, chlorinated solvents carry environmental, health and regulatory concerns. Redesigning the process offered an opportunity to improve the molecule's environmental profile without compromising manufacturing reliability.

What we set out to achieve

- Eliminate or significantly reduce chlorinated solvent use
- Maintain product purity, impurity profile and polymorphic consistency
- Protect or improve process yield
- Develop a scalable and reproducible green process

Scientific approach and methodology

A data-driven assessment was carried out to understand the role of DCM in the existing process, particularly in reaction behaviour, extraction efficiency and impurity removal.

The work included:

- Thermodynamic and kinetic profiling of the reaction system
- Phase behaviour studies to assess mass transfer across solvent interfaces
- Solubility and partition coefficient analysis for intermediates and impurities



- Screening of safer solvent alternatives, including esters, alcohols and bio-based solvents

These insights helped identify where DCM could be replaced and how the process could be redesigned without compromising performance.

Key outcomes

- DCM eliminated from the redesigned process through safer solvent alternatives
- Product quality maintained across key quality attributes
- Yield maintained or improved through optimisation of reaction and solvent conditions
- EHS profile improved through reduced exposure risk and hazardous waste burden
- Scalable process established for reliable commercial implementation

ESG impact

- Hazardous solvent use reduced through lower reliance on DCM
- Waste and disposal burden lowered through safer solvent alternatives
- Occupational exposure risks reduced through an improved EHS profile
- Resource efficiency improved through better solvent and process optimisation
- Regulatory alignment strengthened with greener manufacturing expectations
- Replicable framework created for assessing other legacy products

Project Management and Execution

In FY 2025-26, we restructured project management documentation and communication to bring greater capability depth, sharper role clarity and stronger ownership of delivery outcomes. As the scale and complexity of CMS, GDS, capital and pre-sales engagements increased, the function moved beyond timeline tracking to a more business-critical role focussed on timely delivery, cost discipline, customer outcomes and margin protection.

The year also saw a clearer shift towards key account-led execution, forward planning, milestone-based governance, process simplification and digital enablement across business verticals. Improved PM experience across teams further strengthened execution discipline and helped enhance project visibility, issue resolution and cross-functional coordination. Where required, lower-impact or resource-intensive programmes were deferred or deprioritised to ensure that leadership attention and organisational capacity remained focussed on critical priorities.

Active Projects

Area	FY 2025-26 Initiatives	Execution Focus
CMS	Key account prioritisation, Project Specific Satisfaction scores, annualised Go-to-Plant calendar, monthly rolling execution plans, weekly governance calls and plant connect calls	Delivery visibility, faster troubleshooting and stronger customer alignment
GDS	Annualised Go-to-Plant calendar, monthly rolling execution plans, bottom-up budgeting, milestone-based scorecard for FY 2026-27, weekly governance calls and plant connect calls	Planning discipline, cost visibility and predictable execution
Pre-sales	Revised Pro-market SOPs and RFP digitalisation	Faster response cycles, consistency and improved opportunity evaluation
Capital Projects	Time and cost governance supported by a structured change control process	Project discipline, cost control and accountability
PMO	Expansion of resource management beyond CRD to other functions and simplification of internal tracking processes	Resource visibility, cross-functional planning and execution efficiency

Managing Execution Risks

The function is actively managing risks that could affect delivery credibility, customer trust, scalability and targeted business growth.

Area	FY 2025-26 Initiatives
On Time in Full delivery	Stronger governance through rolling execution plans, Go-to-Plant calendars, R&D connect and plant connect mechanisms
Customer centricity	Training for key account stakeholders and clearer ownership
Manufacturing capacity constraints	Focussed capacity planning and forward visibility of plant requirements
Sustaining confidence in complex CMS programmes	Proactive key account engagement and senior-level steering committee interactions

Information Technology and Digital Enablement

In FY 2025-26, we continued to strengthen our digital backbone as a critical enabler of scientific depth, operational excellence and regulatory readiness. IT initiatives focussed on stabilising core enterprise platforms, integrating quality and R&D systems, improving data integrity and enabling more data-driven decisions across the organisation.

SAP S/4HANA stabilisation and validation: We stabilised and validated the SAP S/4HANA platform, reinforcing a compliant, scalable and integrated enterprise foundation. This has improved cross-functional process integration, strengthened data integrity and enhanced visibility across manufacturing, supply chain and finance processes.

LIMS integration: We integrated SAP S/4HANA with Laboratory Information Management Systems (LIMS), enabling smoother data flow between quality, manufacturing and R&D environments. This is improving real-time laboratory data availability, traceability and informed decision-making across the value chain.

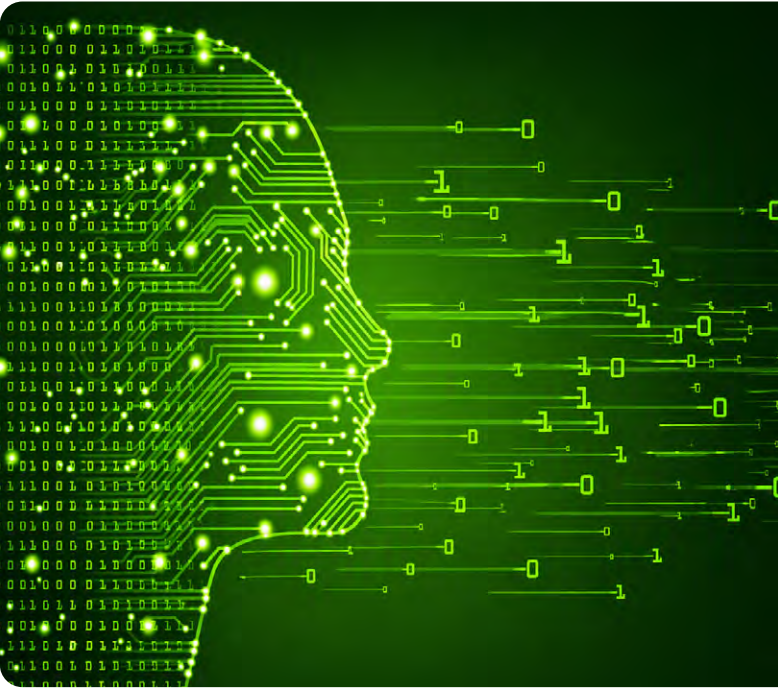
Electronic lab notebooks: We expanded the use of electronic lab notebooks in place of manual records, improving real-time access to experimental data, strengthening data integrity and enabling easier retrieval of historical knowledge.

Digital lab systems: Digital lab systems and related tools are supporting stronger sample tracking, analytical data management and cross-functional visibility across R&D, quality and manufacturing environments. Alongside, tighter access controls and deviation tracking are enhancing regulatory robustness, data governance and inspection-readiness.

QAMS application suite: We advanced digital enablement in quality and R&D through an integrated QAMS application suite, including document management and learning systems. These platforms have strengthened compliance, audit-readiness and control over data, documentation and training processes.

Vendor qualification digitisation: We progressed vendor qualification digitisation through a dedicated digital platform, bringing greater standardisation, transparency and auditability to supplier onboarding and evaluation, while improving cycle times and collaboration across procurement, quality and regulatory teams.

Customer tracking and CRM: We expanded customer-facing digital capabilities through an integrated customer tracking and CRM platform, improving responsiveness, transparency and engagement across the customer lifecycle.



Digital workplace solutions: We continued to build a modern digital workplace through solutions across employee onboarding, recruitment, and travel and expense management. These initiatives have simplified workflows, improved user experience and strengthened process efficiency across HR and enterprise operations.

Digital EHS tools: Within manufacturing operations, the deployment of digital EHS tools for hazard and operability (HAZOP) assessments has improved risk visibility and strengthened proactive safety management practices.

In R&D, the adoption of AI-enabled retrosynthesis capabilities is enhancing route planning and accelerating scientific decision-making by enabling evaluation of alternative synthesis pathways and improving development efficiency.

Productivity tool adoption: We saw strong enterprise-wide adoption of productivity tools, with 98% active usage among employees leveraging AI-assisted and digital collaboration tools. This reflects our focus on awareness, structured training and practical enablement across functions.

Automation and RPA: We strengthened the use of agentic and robotic process automation (RPA) to streamline repetitive and transaction-intensive activities across functions such as quality and finance. These capabilities are improving efficiency, reducing manual effort and enabling teams to focus on higher-value work.

Leveraging Artificial Intelligence

Artificial intelligence and data-driven insights are being selectively integrated into R&D workflows, with a focus on augmenting scientific decision-making. These applications are concentrated in areas where predictive insights can reduce development risk, improve resource allocation and accelerate timelines.

AI-enabled retrosynthesis capabilities are supporting route selection and optimisation by enabling the evaluation of alternative synthetic pathways. AI-assisted tools are also being used for yield prediction and impurity assessment, reducing reliance on trial-and-error experimentation and enabling faster identification of viable development routes, particularly for complex and multi-step APIs.

Data-driven approaches are also being applied to project evaluation and portfolio management. Historical project data is increasingly used to support molecule prioritisation, assess development risks and strengthen stage-gate decision-making. Analytical data is being used to identify patterns,

support impurity trend analysis and strengthen process understanding.

Alongside these targeted interventions, we saw strong enterprise-wide adoption of productivity tools, with 98% active usage among employees leveraging AI-assisted and digital collaboration tools. We also strengthened the use of agentic and robotic process automation (RPA) to streamline repetitive and transaction-intensive activities across functions such as quality and finance. These capabilities are improving efficiency, reducing manual effort and enabling teams to focus on higher-value analytical and decision-oriented work.

Importantly, our approach to artificial intelligence is anchored in deep process integration rather than standalone experimentation. AI and digital capabilities are being embedded directly into business workflows across R&D, manufacturing, quality and enterprise functions to improve predictability, support better decisions and enhance execution outcomes.

Importantly, Neuland's approach to artificial intelligence is anchored in deep process integration rather than standalone experimentation. AI and digital capabilities are being embedded directly into business workflows – across R&D, manufacturing, quality and enterprise functions – to augment decision-making, improve predictability and enhance execution outcomes. This ensures that digital adoption translates into measurable business value while reinforcing Neuland's broader strategy of building resilient, technology-enabled scientific and operational capabilities.

Cybersecurity, Data Privacy and IT Controls

Cybersecurity and digital resilience remained a critical focus area during the year. We strengthened our security posture through enhanced privileged access management (PAM) controls, ensuring tighter governance over critical system access and reducing risk exposure.

In parallel, structured phishing simulation and awareness programmes, supported by dedicated learning platforms, have been deployed to improve employee awareness and resilience against social engineering threats. These efforts are complemented by enterprise-wide learning management systems that support continuous training, policy adherence and a stronger culture of information security across the organisation.

As our digital and data environments continue to expand, cybersecurity, data integrity and privacy remain central to safeguarding intellectual capital and supporting business continuity. We strengthened digital infrastructure through enhanced lab data integrity systems, stronger knowledge capture and reuse and more structured project governance tools, helping build institutional capability across R&D and related functions.

Cybersecurity and IT control frameworks were also reinforced across scientific data, enterprise systems and operational infrastructure. Access controls, monitoring mechanisms and other system-level safeguards were further strengthened, while data privacy continued to be governed through defined policies, contractual safeguards and controlled access protocols. Business

continuity and disaster recovery preparedness were also supported through periodic reviews and testing of systems and processes.

More information about our IT/Cyber risk management and AI governance can be accessed the Governance, Risk, Compliance and Sustainability section of this integrated annual report.

Intellectual Property Protection

Intellectual property remains a key component of our intellectual capital, supporting differentiation in complex chemistry, specialty APIs and CMS engagements.

We continued to strengthen the systematic capture of innovation through structured R&D documentation. Scientific advancements in synthetic routes, analytical methods and process improvements are evaluated at defined project stages for technical novelty and commercial relevance, enabling early identification of potential IP.

Protection frameworks continue to combine patent filings, where appropriate, with trade secret management for proprietary process know-how. These are supported by confidentiality agreements across customers, partners and employees, along with controlled access to sensitive data through digital systems and document management protocols.

In CMS engagements, IP considerations are integrated into project governance through defined ownership frameworks and early-stage evaluation of process improvements for patentability, where permissible. This ensures clarity between client-owned and internally generated knowledge while enabling continued innovation within collaborative programmes.

A dedicated IP function within R&D reviews innovations for patentability and associated risks. We also continued to embed IP awareness within scientific and project workflows through training and defined protocols, ensuring that considerations around confidentiality, disclosure and freedom-to-operate are addressed at each stage of development.





HUMAN CAPITAL

Advancing Trust through Capability and Culture

In our business, where scientific capability, operating discipline and customer confidence are closely linked, the quality of talent remains critical to sustained performance. Human capital therefore plays an important role in enabling execution discipline, operational consistency and long-term value creation.

As business needs continue to evolve, human capital is also becoming a stronger enabler of our future-readiness. Our focus is on building a sustainable organisation structure that can support long-term growth aspirations, while strengthening learning systems, employee experience and the broader talent and leadership architecture across the organisation.

Key Highlights

2,188 (includes Subs)
Total permanent workforce
(↑389 from previous year)

11.9%
Women representation in
permanent workforce
(↑0.57% v/s PY)

1.42 lakh+

Total Training Hours in FY 2025-26

92,491
EHS Training hours
(permanent & non-permanent
employees & workmen)

23.8

Average hours of EHS training received per permanent & non-permanent employees & workmen

49,973
Training hours
(permanent employees)

22.9

Average hours of training received per permanent employees

Nil

Fatalities across manufacturing facilities

Execution Enablers

FY 2029-30 organisation structure

Talent quality and diversity

Leadership and succession depth

Employee experience and systems

Strategic
Priorities Aligned

S5

S6

Material Matters

- Human Capital Management
- Occupational Health & Safety
- Digitalisation and AI Adoption
- Enterprise Risk, Emergency Preparedness and Business Continuity

BRSR Linkages

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

Principle 5

Businesses should respect and promote human rights

Principle 8

Businesses should promote inclusive growth and equitable development

UN Sustainable Development Goals



Key Stakeholders Impacted



Employees and workers



Customers

Neuland’s HR Strategic Priorities

Our human capital priorities are centred on building a stronger, more agile and future-ready organisation.



Organisation Structure and Workforce Expansion

A key development during the year has been the creation of a sustainable organisation structure that can support the organisation’s long-term growth aspirations. Work on the FY 2029-30 organisation structure, along with role evaluation across unique job roles, will help lay the foundation for a more scalable and clearly defined organisation. This exercise is being undertaken and will continue into FY 2026-27.

This structural strengthening was accompanied by an increase in recruitment volumes during the year, reflecting the need to build capability and capacity across the organisation in line with future business requirements.

Talent Acquisition and Retention

Our talent strategy continues to evolve in line with the increasing complexity of the business, with a sharper focus on niche capabilities and building a stronger pipeline. We remain focussed on implementing world-class HR policies and processes for attracting and developing the right talent, which in turn will support stronger customer satisfaction and

business outcomes. Engagement with leading global firms for assessment of key talent has also contributed to a more structured approach to talent development and retention.

Hiring efforts were directed towards critical scientific, technical and managerial roles across the organisation, with higher recruitment volumes accompanied by greater emphasis on talent quality, long-term fit and alignment with our culture and values. Alongside external hiring, internal talent development also remained a key area of focus.

Employee referrals remained an important source of hiring, supported by employer branding efforts and stronger external visibility of our scientific and technical capabilities through leadership participation at industry forums, particularly across R&D.

Retention efforts have been shaped not only by talent development but also by a broader response to growing employee expectations around career development, flexibility, well-being and engagement. More than 60 employees have undergone development journeys in partnership with external subject matter experts over 2023 to 2025, with the benefits of these interventions increasingly visible in the current year.

Recruitment Indicators	FY 2025-26*	FY 2024-25
Number of new hires (FY 2025-26 - All hires were in India)	828	475
New Hire Breakdown		
Male Hires	723	401
Female Hires	105	74
Hires <30 years	416	285
Hires between 30-50 years	404	185
Hires >50 years	8	5
Hires - Junior Management and Trainee	711	417
Hires - Middle Management	82	39
Hires - Top Management	35	19
% open positions filled by internal Hires	10%	19%
Average Hiring Cost (₹) (per person)	₹ 36,304	₹ 33,035

*FY 2025-26 count includes active & inactive employees joined between April 2025 to March 2026.

Retention Indicators	FY 2025-26	FY 2024-25
Total turnover (%)	22.7%	23.5%
Voluntary turnover (%)	14.3%	16.81%
Total Voluntary Turnover Breakdown		
Turnover Rate - Male	13.4%	15.69%
Turnover Rate - Female	16.1%	25.26%
Turnover Rate <30 years	18.7%	24.7%
Turnover Rate between 30-50 years	12.3%	13.2%
Turnover Rate >50 years	1.9%	0.0%
Turnover Rate - Junior Management (JM Band)	15.5%	19.7%
Turnover Rate - Middle Management (MM Band)	11.8%	10%
Turnover Rate - Top Management (GM + SM Band)	7.4%	3.8%

Permanent Workforce Indicators	FY 2025-26	FY 2024-25
Total number of employees	2,102	1,704
Total number of workmen	86	95
Total workforce by age		
18 - 29	759	627
30 - 50	1,266	1,005
>50	163	167
Total workforce by Nationality/Ethnicity		
India	2,183	1,794
Outside India – as under	5	5
North America	4	3
Japan	1	2
Total workforce with disabilities (included in India above)	1	1

Leadership Development and Succession Planning

Building leadership depth continued to be a key area of focus as the organisation prepares for future scale. With organisational structures being redesigned, critical succession roles were identified and progressively filled to ensure continuity and stability in key positions.

High-potential internal talent was prioritised through a more deliberate and structured development approach. Annual **Talent Day** focussed on talent review to assess senior talent across functions, evaluating performance, potential, and career aspirations in alignment with organisational priorities. Insights from these discussions informed differentiated development plans and succession decisions.

Based on these inputs, targeted interventions were deployed for HiPO talent, including **Management Development Programs (MDPs)** in both technical and leadership domains, delivered through premier academic institutions and conferences in related areas. Select leaders also benefited from one-on-one coaching by external professional coaches to accelerate readiness for higher responsibilities. In addition, rotational assignments and cross-functional exposure were provided to build broader business understanding and leadership capability.

Digital learning platforms complemented these efforts through a partnership with Skillsoft, providing leaders and high-potential talent access to curated learning pathways across professional effectiveness, leadership skills, digital dexterity, data analytics, coding and development, cloud technologies, cybersecurity, productivity tools, and other critical future skills.



Employee Learning and Development

Learning and capability building remained a strategic priority, with a continued focus on strengthening technical depth, behavioural capability, and future-ready skills across the organisation. The learning goals are aligned to business strategy and cascaded across levels to ensure that initiatives remain closely connected to functional and organisational requirements.

Learning inputs are systematically gathered from multiple sources, including the performance management process, evolving business priorities, departmental capability needs, and insights from the employee engagement survey. These inputs culminate into a structured Annual Training Calendar, which offers a range of open programmes designed to build both functional, behavioural and leadership capabilities across the workforce.

Behavioural capability building was supported through calendarised programmes focussing on emotional intelligence, transactional analysis, stress management, work and time management, as well as team-building interventions aimed at strengthening collaboration and interpersonal effectiveness. Technical capability development covered critical areas such as data integrity, quality risk management, audit readiness and other GMP-related topics, aligned with regulatory and operational requirements.

Apart from training calendar, signature learning programs targeting special skills for target audiences are also conducted throughout the year. **ACE (Adapt, Communicate & Excel)** designed for shift-in charges on strengthening their frontline leadership and people management capabilities for shift-in charges; **IGNITE** designed for Process Engineering team focussing on enhancing self awareness, collaboration and effective workplace communication; **NeuLEAP (Neuland Leadership Elevation for Agile People Manager)** for strengthening managerial effectiveness among experienced managers, and **Engage360**, a customer-centric learning intervention designed to enhance execution excellence and customer impact for CFTs.

Capability building for new employees was anchored through **Parichay**, a four-day curated onboarding programme that enables faster assimilation into the organisation's culture, values and ways of working. The initiative was started in April 2023 and till date we have completed 75+ batches training 1,800+ employees. This was complemented by a structured **Buddy** Programme, which supports new joiners in settling in and building early connections.

Digital learning further augmented these efforts through the **Skillsoft** platform, enabling employees to access self-paced learning across functional, behavioural, leadership, and digital skill areas. Collectively, these initiatives supported holistic capability development while strengthening organisational effectiveness, collaboration and customer orientation.

FY 2025-26 Highlights

1.42 lakh+

Total Training Hours

49,973

Training hours
(permanent employees)

92,491

EHS Training hours
(permanent & non-permanent
employees & workmen)

2,183

Permanent
Employees trained

3,881

Permanent & Non-
Permanent Employees &
Workmen trained

22.9

Average hours of training
received per permanent
employees

23.8

Average hours of EHS
training received per
permanent & non-permanent
employees & workmen

4.8/5

Training and development
feedback score



Average training hours undertaken during FY 2025-26:

Category	Male	Female	Total
Environment Health and Safety Trainings	89,308	3,183	92,491
Quality, cGMP & Technical Compliance Training	11,850	971	12,821
Other Trainings*	31,978	5,180	37,152
Total	1,33,136	9,334	1,42,464

*Includes skill development, capability-building, and leadership training.

Learning and Development training hours data by Management level

Management Level	Total Training Hours
Senior / Top Management (SM & GM band considered)	2,068 hrs.
Middle Management (MM band)	9,905 hrs.
Junior / Entry Level (JM band)	67,329 hrs.

Training & Development Inputs:

Average amount spent per FTE on training and development in ₹.

Particular		FY 2025-26	FY 2024-25
Total Number of Training Hours	1	1,42,464	1,17,878
Total Training Spend in ₹*	2	1,85,01,779	1,75,31,066
Total Number of FTEs - Permanent and Contract	3	3,881	3,309
Average amount spent per FTE in ₹	(4=2/3)	4,767	5,298
Average hours per FTE of training and development	(5=1/3)	36.7	35.6

* Note: Using the in-house training hall on the newly added floor at our corporate office for all training sessions and meetings has reduced costs related to induction and other training programs, while ensuring effective resource utilisation and an enhanced training experience.

Performance Management

Our performance management approach continues to strengthen through sharper alignment, greater accountability and stronger linkage with long-term organisational priorities. During the year, emphasis was placed on clearly defining KPIs and KRAs across levels, with leadership goals aligned to strategic business priorities and cascaded through the organisation. This has enabled better visibility of individual and functional contributions to overall business outcomes, while reinforcing a performance-driven culture.

Performance management also serves as an input for capability building, with learning needs identified through structured processes and linked to development interventions. Organisation-wide efforts such as effective goal setting, function-level health trackers and training managers on performance management process strengthen execution discipline and visibility of progress across functions on their key deliverables.

Performance Review

We undertake formal mid-year and annual performance reviews for all employees, including one-on-one feedback sessions between employees and their managers. The Annual Performance Reviews encompass performance evaluation as well as discussions on the employee's career development. A formal 360-degree feedback process is also implemented for Heads of Departments (HODs) and critical senior employees, providing them with comprehensive perspectives. Managers also seek informal feedback from internal stakeholders prior to finalising performance ratings.

The Company has in place a cash-based Long-Term Incentive (LTI) plan for key senior contributors, across multiple levels below the CEO, to align performance with sustained value creation and support its long-term objectives. Rewards under the plan are linked to select financial metrics, along with non-financial parameters such as customer satisfaction, employee engagement and ESG performance.

Encouraging idea generation through the **AIM (All Ideas Matter)** program strengthens a culture of contribution and accountability across the organisation. A dedicated Core Committee ensures fair and transparent evaluation of all ideas. The programme encourages diverse submissions, including those focussed on cost savings, process improvement and simplification, EHS, quality and operational efficiency. High-impact ideas are recognised through awards, supported by a structured incentive mechanism linked to savings generated, with benefits shared between the idea generator and the implementation team.

Diversity, Equity and Inclusion

Our approach to diversity, equity and inclusion continues to focus on building a more representative workforce and enabling equitable opportunities for growth across levels. Diversity is embedded in hiring and talent development practices, with targeted efforts to improve representation across gender, age, experience, background, geography and linguistic markers. These efforts are supported by specialised recruitment partners, referral incentives and selection processes designed to strengthen objectivity and access.

During the year, focussed efforts continued to improve women diversity across the organisation, including at leadership roles, while also broadening regional and linguistic diversity. Targeted initiatives such as the four-month NeuRISE (Rise, Inspire, Succeed and Evolve) women excellence programme provided structured development support, while broader talent and succession efforts helped create stronger pathways for diverse talent to progress into roles of higher responsibility.

DEI Indicator	FY 2025-26	Target for 2030
% of women in permanent workforce	11.97%	14%
% of women in leadership	8.7%	10%

FY 2025-26 Highlights

12.7%

Women hiring

11.97%

Overall women diversity in permanent workforce

9%

Women diversity in leadership roles

13.9%

Regional diversity

0.72:1

Ratio of remuneration between women and men

Strengthening Diversity, Equity and Inclusion

- Encouraging gender diversity in hiring through targeted incentives for recruitment partners.
- Engaging specialised consultants to support diversity hiring objectives.
- Providing referral rewards for the successful hiring of diverse talent, including women and persons with disabilities (PwD).
- NeuRISE, a women's leadership development programme for employees at Deputy Manager level and above.

Living Wages

Living wages refer to the minimum level of income required for individuals to meet essential needs, including food, housing and basic services. Around 71.88% of our employees and workmen are located in semi-urban areas. Given the limited availability of consistent and reliable living wage benchmarks across our operating regions, we believe our current compensation levels exceed indicative living wage standards. We remain committed to equitable remuneration and continue to periodically assess evolving benchmarks.

Gender Pay Parity

Overall, the women-to-men remuneration ratio stood at 0.72:1 for FY 2025-26. Further details on median annual compensation across levels, including a gender-wise break-up, are provided on Page 178 of the BRSR section of this report. Such differences typically reflect variations in role mix, experience levels and the performance-linked nature of executive compensation. We remain committed to advancing pay equity and ensuring that our compensation practices are aligned with industry benchmarks and organisational performance.

DEI inclusion in Balanced Score Card

Gender Diversity	FY 2025-26	FY 2024-25
Total Workforce (% women)	11.97%	11.4%
All Management (% women)	12.4%	11.8%
Junior Management (% women)	13.2%	12.7%
Middle Management (% women)	9.6%	9.2%
Top Management (% women)	8.7%	7.5%
STEM-related positions (% women)	12.2%	11.5%
Revenue-Generating Role (% women)	21.7%	28.0%

Employee Engagement, Wellbeing and Experience

As part of enhancing employee engagement and experience, the organisation continues to place strong emphasis on listening, responsiveness and fostering a supportive and enabling workplace. A structured employee engagement survey served as a key listening mechanism, with findings translated into focussed action through **Employee Engagement Action Plan workshop**. More than 40 employees at GM level and above participated in these discussions, which resulted in the identification of **four priority workstreams**: supervisory capability building, communication effectiveness, career pathways and performance management. HODs have since developed targeted action plans and are implementing them across these areas.

These efforts were reinforced through multiple dialogue forums, including scheduled check-ins, post-survey focus group discussions, HR policy meets and organisational town halls, enabling sustained, two-way communication and transparency. Leadership engagement forums further strengthened inclusive participation, equitable decision-making and a growing sense of belonging. Continuous cascading of organisational values across employee groups contributed to reinforcing cultural alignment and shared purpose.

Employee experience was further strengthened through policy enhancements aligned with evolving workforce expectations around flexibility, well-being and work-life balance. Initiatives during the year included the introduction of an additional day off, caregiver leave, enhancements to maternity-related support, and compassionate leave – collectively aimed at building a more responsive and attractive employee value proposition.

The onboarding journey was enhanced through the implementation of digital onboarding modules within the HRMS, along with the digitisation of buddy programme workflows and new-joiner interaction documentation, ensuring a more consistent and engaging early employee experience.

Employee well-being continues to receive focussed attention through the organisation's **Employee Assistance Programme (EAP)**, delivered in partnership with **YourDOST**, providing employees and their families access to professional counselling and emotional support. Well-being efforts were further supported through collaborations with external wellness partners and related awareness activities addressing mental and emotional health needs.

To foster camaraderie and a positive work environment, **monthly 'fun at work' initiatives** were planned and executed across locations. In addition, special engagement events such as **Children's Day** and Women's Day celebrations, along with **Khel Utsav** which includes Annual Cricket Tournaments for both men and women, badminton, volleyball, indoor games like chess and carrom, were organised to energise employees, strengthen team bonding and reinforce an inclusive and vibrant workplace culture.

Rewards & Recognition

Neuland continues to foster a culture of appreciation and high performance through structured and digital recognition platforms. The Neuland's **ACE (Acknowledging Commitment and Excellence) Awards**, recognises outstanding individual and team contributions, on quarterly basis. During the year, 400+ employees were recognised under the ACE Awards.

Complementing this, the NeuRewards Club, a digital spot recognition platform, enables real-time appreciation, empowering managers and peers to acknowledge contributions instantly and meaningfully. A total of 599 employees were recognised through this platform, strengthening a culture of timely and inclusive recognition across the organisation.

Employee Engagement Survey

We place strong emphasis on continuously listening to our employees and capturing their feedback through multiple formal and informal forums. The organisation regularly assesses the pulse of the workforce through mechanisms such as the Annual Employee Engagement Survey, exit surveys, stay interviews and focussed group discussions (FGDs). Together, these platforms provide a comprehensive view of employee sentiment, helping identify areas that are working well and those requiring focussed attention.

The Annual Employee Engagement Survey (EES), in particular, offers valuable insights into the overall employee experience and serves as a key input for leadership to take data-driven decisions aimed at strengthening people practices and workplace culture. In addition, exit interviews conducted through independent third-party agencies help identify attrition trends and underlying issues, enabling the organisation to design targeted improvement initiatives.

Insights from these listening mechanisms are systematically analysed and translated into meaningful actions, reinforcing our commitment to building a responsive, inclusive and continuously improving employee environment.

Indicators	FY 2025-26	FY 2024-25	FY 2023-24
Employee Satisfaction Survey Score	69%	70%	73%
eNPS Score	28	39	42

Indicators - Breakdown	FY 2025-26
Overall ESS score	69
-Purpose	74
-Stress	70
-Happiness	67
-Job Satisfaction	66

Advancing Employee Well-being

We have introduced a range of progressive and inclusive policies and benefits aimed at supporting the personal and professional well-being of our employees, many of which are shaped by employee feedback. Our policies are designed to foster work-life balance, enable flexible working arrangements and promote physical as well as emotional well-being, thereby contributing to an inclusive and empathetic workplace culture. Managers are also equipped through training programmes to lead with empathy. These policies are periodically reviewed to ensure continued relevance and alignment with evolving employee needs and industry practices.

100% of permanent employees are provided with life insurance, disability coverage, retirement benefits, healthcare, and parental leave benefits. In addition, the Company bears 50% of the medical insurance premium for employees' parents or parents-in-law, wherever employees choose to avail of this benefit.

Initiatives, Supportive Policies and Special Benefits

Supportive Policies and Special Benefits

Internal Job Posting		Flexible Working Hours for Corporate and R&D teams	Anniversary Dinner Reimbursement
Employees can earn referral incentives, with higher rewards offered for diversity candidate referrals		One Day per Week Work from Home (WFH) for corporate employees	Compassionate Leave: 2 days for the loss of an immediate family member, including in cases of a spouse's miscarriage
Paternity Leave: 7 working days for new fathers		Period Leave: 1 day per month for women employees	Identified Daycare Centres to support new mothers
Relocation Leave: 2 days for new joiners moving locations		Part-Time Work Policy	Baby Shower Ceremony and Gifting
Caregiver Leave: 3 days	Marriage Gift for newlyweds	Extended Maternity Leave: 6 months of leave plus 1 month of WFH for eligible roles, or 2 months of reduced working hours, based on work requirements	

Wellness and Wellbeing

Regular health checkups, medical insurance, vaccinations and wellness talks.	Free and confidential counselling services for employees and their families through partnerships with mental health professionals.	Mental health and fitness programmes to support employees' physical and emotional well-being.
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Human Rights

As a signatory to the United Nations Global Compact, we remain committed to upholding internationally recognised human rights principles across our operations. We recognise the importance of embedding these standards into workplace practices and organisational culture.

Respect for human rights remains integral to the way we manage our people practices and workplace environment. Our approach is anchored in fair treatment, dignity at work, non-discrimination and access to formal mechanisms that support employee voice and grievance redressal.

Awareness and sensitisation continue to play an important role in reinforcing these principles across the organisation. Employees, including off-roll staff, are covered through regular

communication and training on areas such as code of conduct, prevention of sexual harassment, workplace behaviour, safety and broader people-related policies. Key policies relating to equal opportunity, non-discrimination, grievance redressal and the prohibition of child labour remain accessible through internal platforms.

We also recognise the importance of freedom of association and a workplace culture that allows employees to express concerns without fear of retaliation. Formal structures and policy mechanisms are in place to support this commitment.

Workforce trade union and collective bargaining coverage – % of permanent workmen (employees) represented by an independent trade union or covered by collective bargaining agreement for previous years.

Metric	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
% of employees represented by an independent trade union or covered by collective bargaining agreements	Count	106	100	95	86
		(6.82%)	(6.1%)	(5.3%)	(3.9%)

*Only India Ops is considered in these calculations.

Labour Practices Commitment and Programme

We at Neuland, are committed to maintaining fair, equitable and responsible labour practices across our operations and value chain. Our approach is guided by respect for human rights, employee well-being, safe working conditions and long-term organisational sustainability. We strive to provide fair compensation aligned with statutory requirements and industry benchmarks, while ensuring equal remuneration for men and women for work of equal value, including appropriate compensation for overtime work and annual leave entitlements.

We maintain systems and controls to monitor working hours, define maximum working hour limits in line with applicable regulations and minimise excessive overtime to support employee health, safety and well-being. We also foster a

transparent and people-centric workplace culture through open communication, employee engagement, regular dialogue with worker representatives and responsible workforce management practices.

Beyond statutory social security benefits such as Provident Fund (PF) and Employee State Insurance (ESI), we provide additional employee support measures including medical insurance coverage, workplace health and safety initiatives and employee welfare programmes. We actively encourage employees to utilise their paid leave entitlements to promote work-life balance and overall well-being. In addition, we continue to invest in employee capability building through technical, operational and Environment, Health & Safety (EHS) training programmes that help employees adapt to evolving industrial practices, sustainability expectations and climate-related operational changes, while strengthening workforce resilience and long-term organisational capability.

Human Capital Return on Investment

Human Capital ROI factor	FY 2025-26	FY 2024-25
a) Total Revenue, as specified in the “Denominator” question Currency: (₹ Lakhs)	2,05,315	1,49,735
b) Total Operating Expenses Currency: (₹ Lakhs)	1,56,542	1,22,838
c) Total Employee-related expenses (salaries benefits) Currency: (₹ Lakhs)	32,882	26,140
Resulting HC ROI (a-(b-c))/c	2.48	2.03
Total workforce (Employees, Workmen and other Non-Permanent Personnel)	3,881	3,304

Privacy

Protecting confidential, personal, and operational data remains a core objective. Learn more about how we address privacy in our Intellectual Capital and Governance, Risk and Sustainability section of this report.

Occupational Health and Safety

Occupational health and safety is managed through a structured and prevention-led approach across our operations. In a manufacturing environment where process discipline and workplace safety are closely linked, our focus is on identifying risks early, strengthening controls and building safety awareness across employees, contractors and service providers.

Our Occupational Health and Safety Management System (OHSMS) provides a structured framework to identify, evaluate and control workplace hazards. This approach begins even before production, with client molecules screened for potential EHS concerns before they are taken up for manufacturing.

EHS Management System

A structured Environment, Health and Safety (EHS) management system has been implemented across facilities and is supported by recognised certifications including ISO 45001 and ISO 14001. This provides a formal foundation for managing workplace health and safety risks across operations.

Our EHS management system has a comprehensive scope, encompassing:

Employees

All full-time, part-time and temporary employees engaged directly by the Company.

Contract Workforce and Service Providers

OHS protocols are extended to contractors, visitors and service providers operating within our premises, reflecting our commitment beyond direct employment.

Activities

All activities under the Company’s control – from raw material handling and complex chemical synthesis to packaging, logistics, and maintenance – are governed by a robust OHS framework. This includes routine operations, non-routine tasks and emergency response procedures.

Workplaces

All facilities, including manufacturing units (e.g., Unit I, Unit II, Unit III), R&D centres and corporate offices, are fully covered under the OHS management system, ensuring consistent application of safety standards across all locations.

The achievement of zero fatalities and zero Lost Time Injuries in FY 2025-26 reflects the Company’s strong and continued commitment to maintaining the highest standards of occupational health and safety.

Risk Assessment and Control

The safety framework is supported by formal systems, periodic assessments and cross-functional review mechanisms that help monitor workplace hazards and drive timely corrective action. Once a molecule is approved for production, in-depth safety risk assessments are conducted

using HAZOP or HIRA frameworks. Hazards with potential for high-consequence injury or illness are evaluated through structured risk assessment processes, occupational hygiene reviews, medical surveillance and incident investigations. These are managed through a hierarchy of controls that includes elimination, substitution, engineering controls, administrative controls and protective equipment.

Key hazards and the comprehensive actions taken or underway to minimise associated injury risks across our operations:

Hierarchy of Controls - Actions Taken/Underway				
Potential High-Consequence Hazard	Elimination / Substitution	Engineering	Administrative	Personal Protective Equipment (PPE)
Exposure to Hazardous Chemicals	Solvents, less hazardous reagents	Closed-loop systems, LEV, automation	Strict SOPs, training, emergency plans	Chemical-resistant gear, respirators
Fire & Explosion	Minimising flammables	Fire suppression, intrinsically safe equipment, inerting	Hot work permits, ignition control, drills	Fire-resistant clothing
Fall from Heights	Design to reduce height work	Guardrails, platforms, fall arrest systems	Work at Height permits, training, inspections	Harnesses, lanyards
Confined Space Entry	Designing out spaces	Ventilation, atmosphere monitoring	Permit-to-Work, training, rescue teams, LOTO	Gas detectors, respirators
Machinery & Equipment Hazards	Safer machine designs	Guards, interlocks, E-stops	LOTO, machine-specific training, maintenance	Safety gloves, eye protection
Electrical Hazards	Low-voltage equipment	RCDs, proper grounding, insulated tools	Electrical permits, LOTO, training	Insulated gloves, face shields



Key hazards and the comprehensive actions taken or underway to minimise associated illness risks across our operations:

Hierarchy of Controls - Actions Taken/Underway				
Potential High-Consequence Hazard	Elimination / Substitution	Engineering	Administrative	PPE
Chemical Exposure	Less hazardous chemicals, “green chemistry”	Closed systems, LEV, automation, isolators	Strict SOPs, chemical handling training, health surveillance	Respiratory protection, chemical-resistant gear
Ergonomic Hazards	Automating repetitive tasks, workstation redesign	Ergonomic tools, adjustable workstations, material handling aids	Job rotation, breaks, ergonomic training	(As medically advised, e.g., braces)
Physical Hazards (Noise)	N/A	Acoustic enclosures	Noise mapping, hearing conservation	Hearing protection
Physical Hazards (Heat Stress)	N/A	Ventilation, cooling	Hydration, work-rest cycles	Cooling vests
Biological Hazards	Less hazardous agents	Biosafety cabinets, autoclaves, dedicated areas	Safety protocols, waste management, training	Gloves, lab coats, respirators
Psychosocial Hazards	N/A	N/A	Flexible work, EAPs, stress management, work-life balance	N/A

Incident Management

Structured procedures are in place to ensure timely reporting of incidents to the relevant statutory authorities and internal stakeholders. Each incident is reviewed by a cross-functional team to identify root causes and recommend corrective and preventive actions (CAPA). These actions are implemented and tracked through regular monthly reviews. To minimise the risk of recurrence, root causes are evaluated across other sites, and, where applicable, global CAPA measures are initiated to ensure consistent implementation.

Safety Measures

As part of a proactive and rigorous safety approach, client molecules are screened for potential EHS risks prior to production. This ensures that only those meeting stringent safety criteria are taken forward, thereby extending safety considerations beyond the manufacturing stage.

EHS Assessment

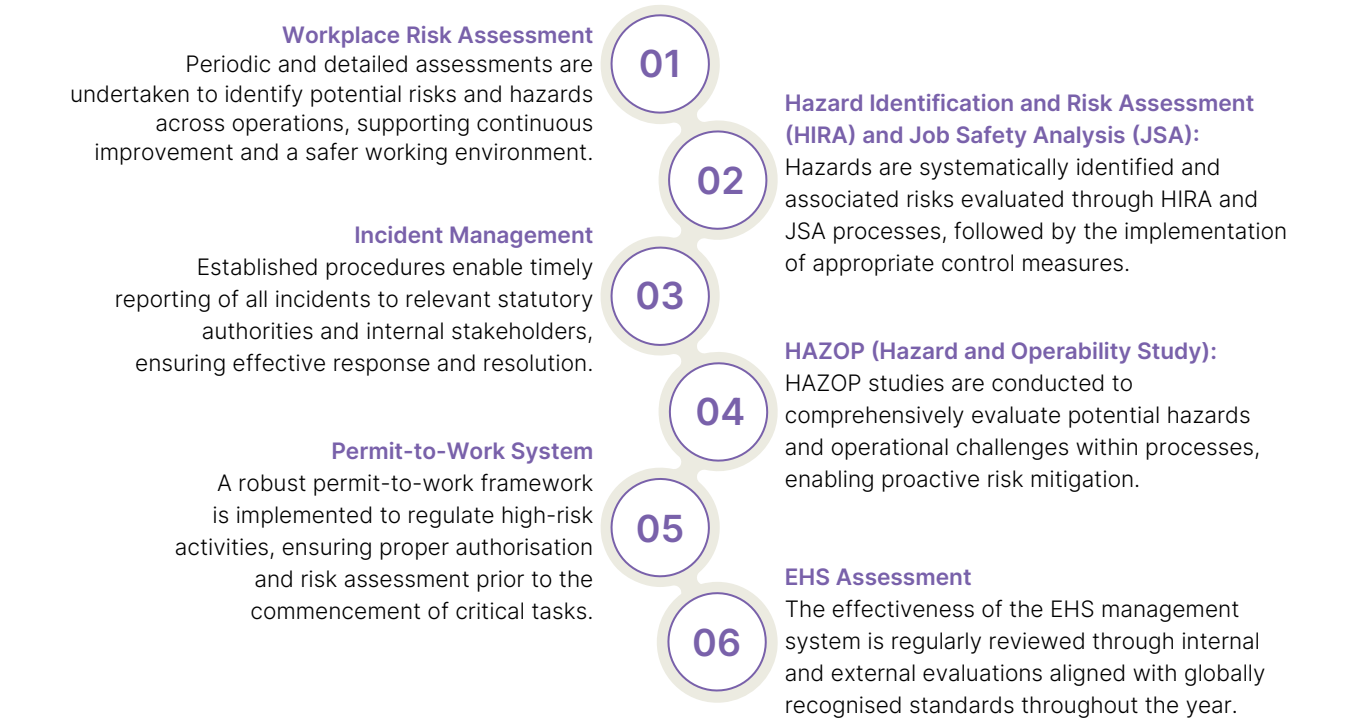
The effectiveness of the Environment, Health and Safety (EHS) management system across all facilities is systematically evaluated and monitored in alignment with ISO 45001:2018 and ISO 14001:2015 standards. During the year, regular assessments were conducted through internal audits, inter-facility audits and independent third-party audits, supporting regulatory compliance and continuous improvement. As a result, no significant workplace incidents or accidents were recorded during the reporting period.

Workforce Participation and Consultation

Training, communication and worker participation remain important enablers of this approach. Safety committees and Joint Management-Worker Health and Safety Committees provide formal forums for consultation, review and escalation. These include representation from management, safety officers, employees, contractors and workmen, with discussions formally recorded along with responsibilities and timelines for action. This helps reinforce shared accountability and support a culture where safety is embedded into day-to-day operations.

Occupational Health Awareness

Broader occupational health efforts continue to be supported through awareness programmes, industrial hygiene initiatives and structured health-related interventions aimed at strengthening workplace well-being.



Safety Practices

Engineering Controls

Implemented a range of safety measures, including zero-access guarding, nitrogen blanketing, zero-speed interlock systems, continuous earthing monitoring, flame arrestors, oxygen monitoring systems, foam sprinkler systems, fire suppression systems and early warning mechanisms.

Specialised Assessments and Training

- Undertook Hazardous Area Classification and electrostatic discharge (ESD) assessments through qualified external agencies
- Delivered Process Hazard Analysis (PHA) and HAZOP-certified training programmes aligned with global standards

Process Safety

Evaluated thermal stability profiles, conducted reaction calorimetry studies and reviewed powder safety data for critical operations such as milling, sieving and micronisation.

High-Potential Risks (HPR)

Identified high-potential risks across operations and implemented appropriate mitigation and control measures.

New Safety Initiatives

Behaviour-Based Safety (BBS)

Monthly reviews of BBS implementation were conducted to monitor effectiveness and drive continuous improvement in shop floor safety performance.

PHA Digitisation

HAZOP and risk assessment processes were digitised across all three manufacturing sites to enhance efficiency, standardisation and reduce manual effort.

EHS Management System Digitisation

Sparrow software was deployed to digitise the Environment, Health and Safety (EHS) Management System across all manufacturing sites.

New R&D Facility Assessment

A third-party EHS assessment and risk and damage containment study is being conducted for the new R&D facility.

Workforce Coverage by OHS Management System

The number of all employees covered by an occupational health and safety management system	All Employees
The percentage of all employees covered by an occupational health and safety management system	100%
The number of all workers who are not employees covered by an occupational health and safety management system	All Workers/Contract employees covered
The percentage of all workers who are not employees covered by an occupational health and safety management system	100%
The number and percentage of all employees and workers who are not employees covered by an occupational health and safety management system that has been internally audited	0%
The number and percentage of all employees and workers who are not employees covered by an occupational health and safety management system that has been audited or certified by an external party	0%

FY 2025-26 Highlights

92,490

EHS training hours across the organisation

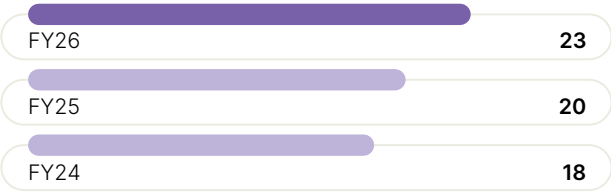
Five Star Rating and Sword of Honour

Awarded by the British Safety Council for Unit 1 and Unit 3

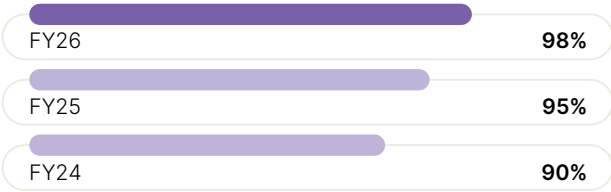
ISO 14001 and 45001

Re-certifications completed

EHS training hours per person



EHS Legal Audit Compliance Status



Safety performance (Employees, Workmen and Contract Workers across the Company) for FY 2025-26

Year	No. of fatalities	Rate of fatalities	No. of high consequence work-related injuries	Rate of high consequence injuries	No. of recordable work-related injuries	Rate of recordable work-related injuries	LTIFR
FY 2025-26	0	0	0	0	0	0	0
FY 2024-25	0	0	0	0	0	0	0
FY 2023-24	0	0	0	0	0	0	0
FY 2022-23	0	0	0	0	0	0	0

The Company's consistent performance record across all Safety lag indicators showcases its continuous commitment towards health and Safety

British Safety Council – 5 Star Rating and Sword of Honour.

Unit-1



Five Star Occupational Health and Safety Audit



Sword of Honour

Unit-2



Five Star Occupational Health and Safety Audit



Sword of Honour

Unit-3



Five Star Occupational Health and Safety Audit



Sword of Honour



Advancing trust through inclusive growth

At Neuland, we believe growth is most meaningful when it creates sustainable value for the communities around us and the planet we share. Guided by our commitment to responsible and inclusive growth, we continue to invest in healthcare, education, women empowerment, community well-being, biodiversity and the environment. These CSR interventions help strengthen community resilience, nurture trust-based relationships and build social capital.

During the year, we reorganised our CSR programmes around two key pillars: People and Planet. Dedicated initiatives were designed and implemented under each pillar to create meaningful social and environmental impact.

Key Highlights

₹ 609 lakhs
Total CSR Expenditure*



- 45% Planet
- 41% People
- 14% People+Planet

~52,000+
Lives positively impacted

~13,000+
Families benefited

~450
Employees contributed
2,920 hours towards CSR
volunteering activities

* includes committed amount for FY 2025-26

Execution Enablers

- Volunteering
- Opportunity to synergise with Environment (via Water rejuvenation) and reach/impact more (via Neuland Foundation)
- Preserving Biodiversity and Ecology

Strategic Priorities Aligned

S3 S4

Material Matters

- Product Quality and Regulatory Compliance
- Sustainable Supply Chain
- Human Capital Management

BRSR Linkages

- Principle 4**
Businesses should respect the interests of and be responsive to all their stakeholders
- Principle 5**
Businesses should respect and promote human rights
- Principle 6**
Businesses should respect and make efforts to protect and restore the environment
- Principle 8**
Businesses should promote inclusive growth and equitable development

UN Sustainable Development Goals



Key Stakeholders Impacted

- Employees and workers
- Local Communities
- Government offices

NEULAND’S CSR FRAMEWORK

Our Approach

Neuland, through its CSR arm Neuland Foundation, implements its CSR initiatives directly or in partnership with NGOs and other organisations. We adopt a pro-bono approach to CSR, with all interventions, including infrastructure investments and community engagements, undertaken on a not-for-profit basis.

CSR Focus Areas



CSR Governance

The CSR Committee, along with Neuland’s management, plans and implements all CSR initiatives under the oversight of the Board of Directors. A well-structured CSR policy is in place to ensure that all our CSR activities comply with statutory requirements, enabling robust governance.

Employee CSR Volunteering

Our employees are integral to the success and effectiveness of our CSR initiatives. By contributing their valuable time to engage with local communities and spread social awareness, they consistently drive our ambition to build a happier, more equitable and resilient world.

During the year, we saw proactive participation from over 450 employees who contributed about 2,920 hours to successfully undertake multiple CSR activities, including medical camps, education initiatives, biodiversity promotion, environmental protection and providing safe drinking water, among others.



Advancing Community Healthcare

Enabling access to healthcare

Four medical camps were organised at various locations, providing nearby villagers with easy access to healthcare and directly benefitting more than 500 children and more than 1,200 women and men. Preventive healthcare interventions facilitated through these camps included dental and orthopaedic check-ups, eye check-ups followed by the distribution of spectacles, and screening for hypertension and

diabetes. Free gynaecologist consultations were also organised and medicines were distributed for better health outcomes.

~1,700
Patients benefited



Cardiac Surgery for Newborns

Lesser-privileged children with congenital and acquired heart diseases were supported through cardiac surgeries and follow-up care, giving them a chance at a healthier and brighter life.

17
Children benefited





Inclusive Education for a Better Future

ZPHS School, Jinnaram

In an endeavour to upgrade school infrastructure and improve learning effectiveness among students, safe classrooms equipped with digital boards were built within ZPHS School, Jinnaram. This initiative is enabling students to enjoy seamless access to quality education in a conducive, child-friendly environment.

600+ students directly benefited

Safe classroom spaces and digital boards for all the classrooms



Mandal Parishad Primary School, Nagireddygudem

As part of our efforts to upgrade school infrastructure, the old block at Mandal Parishad Primary School was transformed into a new, well-equipped building. A sanitation block was also constructed to promote hygiene and cleanliness among students and school staff.

25+ underprivileged students directly benefited

Sanitation block constructed

ZPHS School, Shivanagar

A new school building with four classrooms was constructed to build capacity and further our goal of empowering the underprivileged children through inclusive education. The initiative is expected to increase student enrolment by 15-20 students from four surrounding villages in the next academic year.

~220 additional children expected to enrol for all locations in next academic year



Mandal Parishad Primary School at Nagireddygudem



Holistic Development through Sports

Sports play an important role in children's holistic development by promoting physical and mental fitness while helping them build resilience, confidence and leadership skills. Aligned with this objective, sports material were provided to 17 government schools to further strengthen their sports infrastructure.



~1,900 students benefited

11 students from these 17 schools won gold and silver medals in various state-level and district-level competitions across Wushu, volleyball and cricket



Technical Skills Building

To equip college students with practical, hands-on knowledge and enhance their employability, various skill building workshops are conducted under our CSR initiatives. During the year, a mechanical workshop was organised at Shivampet Polytechnic College, providing students with meaningful technical education.

440+ students benefited



Career Counselling – Enhancing Employment Opportunities

‘Classroom to Career Pathways’, a comprehensive career counselling initiative for underprivileged students, was organised in three towns of Sangareddy district. Aimed at enhancing the quality of education at school-level and improve future employability, the initiative provided career guidance to students across 59 government schools.

60 teachers benefited

Career guidance booklet was curated for students

1,500+ students benefited

59% students demonstrated noticeable academic improvement



Building Pathways for Women Empowerment

SHE Shuttle for Safe and Seamless Commute

We expanded our SHE Shuttle fleet to three buses, improving accessibility for working women across nearby villages. The initiative reinforces our commitment to women empowerment by enabling safe and reliable transport to the workplace. The shuttles are equipped with GPRS and supported by a woman guard for enhanced safety. They also transport government school children to school on a daily basis.

~2 lakh women including girl students commutes annually





Nurturing Stronger, Self-reliant Communities

Neuland Foundation-supported project in Sangareddy district strengthened community outreach by establishing its field presence, engaging local stakeholders, and identifying Bonthapalli, Gandimaisamma, and Veerannaguda as key intervention areas. The initiative conducted five awareness meetings, completed 40 e-Shram registrations, facilitated 40 entitlement applications, enabled access to 40 benefit schemes and identified 10 community volunteers to expand last-mile support. It also organised two PAT sessions attended by 42 workers and mapped five major construction sites for focussed outreach to construction and other vulnerable informal workers.

e-Shram Registrations: Advancing Social Inclusion

Efforts are being made to uplift the underprivileged and optimise human potential by improving financial inclusion and social protection for informal workers. In partnership with local NGO, the initiative reached out to more than 500 workers through 10 community volunteers and supported 60 workers with e-Shram registration, helping strengthen access to social protection schemes for informal sector workers and construction labourers.

500+

workers reached through awareness and outreach

10

community volunteers mobilised to expand outreach

60

workers registered under the e-Shram Card initiative on portal

Providing Safe Drinking Water

Water is fundamental to life. Considering its immense significance, Neuland is supporting basic infrastructure improvements to provide safe drinking water in villages. A new 60 KL water tank has been constructed in Nagireddygudem village to enable villagers to store more water and distribute it effectively, ensuring a consistent and reliable water supply.

260+

families benefited

Blanket Distribution Drive

As a part of our community well-being initiative, blankets were distributed in a residential school, providing comfort to the students.

~1,500

Student beneficiaries



Promoting Animal Health and Rural Livelihoods

In rural India, animal products are a major source of income. To improve yields and create sustainable livelihood opportunities, the livestock in villages was provided with essential supplements and better-quality fodder during the year.



2,800+

Livestock supported with quality fodder & supplements

Green & Sustainable Livelihoods & Entrepreneurship

A women-led green livelihoods initiative in Gummadidala and Domadgu is building skills in cattle feed preparation, dairy management, and rural entrepreneurship to improve livestock productivity and create sustainable income opportunities.

The programme identified strong local demand for affordable, balanced cattle feed, availability of raw materials, and promising scope for women-run micro-enterprises in rural dairy communities.

2 villages

Coverage

10 SHGs

Participation

Agriculture, dairy farming, animal husbandry

Focus Livelihoods

30 trainees

Recommended Batch Size

Enterprise Potential

14

income-generating activities

Challenges Identified

5

issues

Feeding Guidance

6

items for cows

5

items for buffaloes

Mineral Mixture

5

key benefits

Training & mobilisation, institutional coordination, participant support, and enterprise development.



Preserving Natural Biodiversity & Ecological Balance

Neuland Nandanvans – Building Nutrition-Rich Oxyzones

Neuland Nandanvans are community nutrition and green micro-parks created in Sangareddy district to improve biodiversity, air quality and access to nutritious food. During the year, endemic fruit-bearing and oxygen-rich trees were planted at MPDO Campus, Gummadiala Mandal and ZPH School, Jinnaram, helping address malnutrition and environmental stress in industrial areas.

Conceived as sustainable clusters of groves, these Nandanvans bring together fruit trees such as guava, Jammi Chettu, mango, sapota and Alla Neredu, along with native oxygen-rich species such as Peepul, Banyan, Neem, Ashok and Bamboo. The mix of tall and low-storey trees, shrubs, bushes and grasses helps create healthier community spaces while supporting child and maternal nutrition.

Rapid Action Projects: Wildlife Emergency Response Fund

To address urgent wildlife and ecosystem threats through timely intervention, Neuland supported biodiversity conservation through the Rapid Action Projects (RAPs) Wildlife Emergency Response Fund. During the year, five RAPs were supported to assist communities, forest officials and individuals in preventing situations that could negatively impact wildlife and biodiversity.



Manjeera Bird Sanctuary Photography Contest

Spreading awareness about biodiversity is crucial to preserving it. To support this, Neuland Foundation organised a photography contest and exhibition titled Taking a Flight with the Birds of Sangareddy, focussed on the ecological significance of the Manjeera Bird Sanctuary.

The initiative encouraged citizen participation and used photography as a medium to sensitise people about the fragility of ecosystems and the need to protect local flora and fauna. The contest attracted 78 participants, who collectively contributed more than 305 photographs documenting birds, wetlands, biodiversity and human-nature connections in and around Manjeera.

The valedictory and awards ceremony, held at the State Museum, Nampally, celebrated these contributions and further strengthened conservation awareness.

330

people sensitised about biodiversity conservation



Water Conservation Initiatives

Stepwells are ingenious traditional water-harvesting systems that help replenish groundwater and strengthen water security. Recognising their ecological and cultural value, we undertook the rejuvenation of the stepwell at Nallavali in Sangareddy district. The programme also included ecotourism-based training for village youth, enabling them to explore sustainable livelihood opportunity.

Manjeera River Rejuvenation

Neuland proactively participated in the Manjeera River rejuvenation programme to strengthen water security, support community health and protect the local ecosystem.

Integrated Watershed Management Programme

The Integrated Watershed Management Programme contributed to the rejuvenation of five water bodies during FY 2025-26, creating an additional water-storage capacity of over 30,000 cubic metres and strengthening local water security.



~20,000

cu.m. annual water storage capacity

~15

village youth benefited from the training

450+

companies engaged through the initiative

~1 lakh

people in the immediate vicinity benefited

~43,035 cubic metres

Additional water-storage capacity created through the rejuvenation of 5 water bodies





RELATIONSHIP CAPITAL

Advancing Trust through Collaboration and Responsible Practices

Neuland’s long-term success is rooted in the strength of its Relationship Capital, reflected in the trust-based relationships we have built with our customers, suppliers and other stakeholders. These relationships are supported by deep engagement, responsible practices and a shared commitment to quality, safety and sustainability. Together, they reinforce reliable execution, ensure regulatory compliance, enable business continuity and enhance profitability, while creating long-term value.

Key Highlights

95%
of supply chain by volume covered for our GHG inventorisation drive

100%
e-Procurement

99%
Raw material OTIF

Execution Enablers

Customer and supplier relationships

Scientific and operational excellence

Sustainable procurement

Technology advancement

Robust governance

Strategic Priorities Aligned

S3

S4

Material Matters

- Product Quality and Regulatory Compliance
- Sustainable Supply Chain
- Information & Cyber Security

BRSR Linkages

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Principle 2

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

Principle 6

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

Principle 9

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

UN Sustainable Development Goals



Key Stakeholders Impacted

- Customers
- Suppliers
- Government and regulators

CUSTOMER RELATIONSHIPS:
DEEPENING TRUST, DELIVERING GREATER VALUE

Customer satisfaction remains central to Neuland's strategy, guiding our decisions, investments, and execution. By placing customer needs, scientific complexity, and regulatory expectations at the core, we deliver customised, high-quality solutions with consistency and scale.

Customers continue to value Neuland's scientific expertise, product quality, reliability, and collaborative approach. However, recent Customer Satisfaction (CSAT) insights indicate that expectations are increasingly shaped by execution excellence, particularly predictability, responsiveness, proactive communication, and transparency throughout the project lifecycle.

In response, Neuland has strengthened its customer-centric approach by enhancing execution across every stage of the customer journey. Our annual CSAT programme goes beyond measuring satisfaction to generate actionable insights that drive continuous improvement.

Customer feedback is systematically analysed to identify root causes and improvement priorities across areas such as project execution, documentation, investigations, and communication. These insights are translated into cross-functional initiatives that enhance delivery performance, improve customer experience, and strengthen reliability, consistency, and transparency, reinforcing customer trust and Neuland's position as a preferred CDMO partner.

Engaging with Customers

A comprehensive customer engagement framework has been designed to fully align with their requirements and deliver desired outcomes while maintaining transparency, sharpening responsiveness and safeguarding data and privacy at every stage – from research to manufacturing.

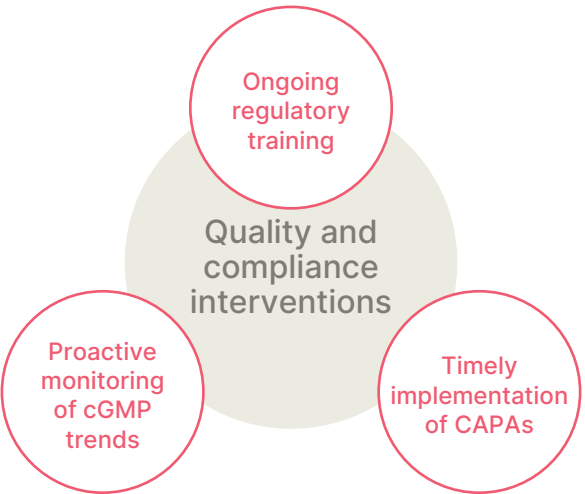


Differentiated Portfolio Delivered at Scale

We create value for our customers by offering a high-quality portfolio of Specialty APIs, New Chemical Entities (NCEs) and Peptides that can be manufactured at scale, meet strict timelines and comply with regulatory requirements. Built on innovation, powered by scientific excellence and strengthened by an experienced team, we are adept at solving complex chemistry challenges and developing high-value, scientifically demanding molecules. From early-stage development to large-scale manufacturing, we bring technical rigour and dependable execution that customers can rely on, aligned with their strategic priorities.

Quality and Compliance at the Core

At Neuland, quality and compliance are non-negotiable. Various policies and measures are implemented to uphold the highest standards of global compliance. Quality is embedded across the value chain through thoughtful processes and meaningful interventions.



Collaborative, Conflict-Free Business Model

Our API-led business model prevents any conflict of interest and strengthens partnership. By consciously choosing not to compete with our customers in the generic formulation space, we serve as a reliable partner contributing to their long-term growth. The collaborative approach, along with proven capabilities in research, manufacturing and execution, creates a win-win situation for our customers, driving higher levels of satisfaction and retention.

Technology and Innovation as Strategic Levers

As a leading global API contract development and manufacturing organisation (CDMO), we recognise constant innovation and technology upgrade as critical strategic enablers for remaining competitive and resilient in a changing pharmaceutical landscape. We continue to invest in state-of-the-art technologies and advance our tech-capabilities in bio-catalysis, flow chemistry and particle engineering. Additionally, highly-specialised process engineering labs, adoption of Electronic Lab Notebooks (ELNBs) and continued emphasis on co-crystals and polymorphs help us deliver superior quality solutions with consistency and reliability.

Safeguarding Customer Data and Trust

Upholding customer trust and integrity by safeguarding their data and privacy is a key priority at Neuland. We achieve this by deploying robust cybersecurity and data governance practices across processes and functions. A strong technological infrastructure supports our efforts, which is further strengthened by the adoption of globally recognised cybersecurity standards and reinforced through our ISO 27001:2022 certification.

SUPPLIER RELATIONSHIPS:
ADVANCING SUSTAINABLE AND RELIABLE PROCUREMENT

Building strong relationships with our suppliers, governed by the Neuland’s Code of Conduct, is integral to our sourcing strategy and ability to deliver high-quality, reliable solutions at scale.

Balancing Agility with Assurance

Given the evolving external environment, including market volatility and rising geopolitical tensions, procurement continues to be an integral part of our business planning process. Our approach is focussed on ensuring reliable supply, protecting business continuity and strengthening our ability to respond to changing customer and operational requirements.

Supplier diversification, localisation and alternative sourcing remain important elements of this approach. During the year, we further sharpened our focus on risk visibility, planning discipline, supplier engagement and responsiveness. This helped us balance commercial considerations with quality, compliance and sustainability expectations.

Key Procurement Trade-offs

Speed vs Control

We continued to improve planning and cycle times without compromising supplier qualification, quality assurance or regulatory requirements.

Cost vs Capability

We evaluated sourcing decisions not only on cost, but also on supplier capability, execution risk, compliance standards and long-term reliability.

Short-term Efficiency vs Long-term Supply Assurance

For critical materials, we balanced efficiency with preparedness through selective buffers, alternate qualifications and supplier commitments.

Driving Responsible Sourcing

Our dedication to responsible sourcing is unwavering. Beyond an ESG imperative, it is integrated into every step of our procurement process – from vendor identification to ongoing compliance and sustainability assessment. Anchored in our sourcing philosophy, we closely collaborate with our suppliers, helping them align with regulatory expectations and building an ecosystem of shared success and sustained growth.

A comprehensive process is implemented to qualify suppliers that align with our ethos and sustainability standards. Supplier requirements span ethical conduct, labour and human rights adherence, environmental responsibility, safe operations, regulatory compliance and transparency, evaluated through audits- both on-site and remote. Regulatory accreditations like Occupational safety EIR and KFDA also form a part of our supplier selection and evaluation process.

Additionally, preference is given to suppliers who meet globally recognised sustainability standards and hold the following certifications:

- ISO 9001 (Quality Management)
- ISO 14001 (Environmental Management)
- ISO 45001 (Occupational Health & Safety)
- ISO 50001 (Energy Management Systems)



During the reporting period, no suppliers were identified as having significant actual or potential adverse environmental impacts. Consequently, no corrective action plans, formal environmental assessments, or supplier disengagement measures were required.

To strengthen sustainability governance across the supply chain, we institutionalised a structured supplier assessment mechanism through the EcoVadis framework. This enables consistent evaluation of supplier performance across environmental, social and governance (ESG) parameters, providing standardised scorecards, benchmarking insights and actionable improvement pathways. The framework enhances transparency, supports informed decision-making and facilitates targeted supplier development initiatives.

The progressive onboarding of suppliers onto the EcoVadis platform has expanded visibility into sustainability performance and emerging risk areas across the supply base, enabling more proactive engagement and continuous improvement.

Neuland remains committed to local sourcing, with approximately 78% of raw materials procured within India and nearly 65% sourced from suppliers located within an 800-kilometre radius of its operations. This approach helps reduce transportation-related emissions, while enhancing supply chain agility, resilience and operational efficiency.

Integrating Technology for Enhanced Efficiency

A stronger cloud-based digital backbone, backed by multiple technological interventions, underscores the strength of our supply chain, enabling transparent and fair supplier interaction. During the year, we further enhanced our shipment tracking and visibility tools, enabling better traceability. Initiatives like strengthening cloud-based procurement platforms and improving workflow-driven planning and approval systems allowed faster decision-making and improved supplier collaboration while reinforcing digitisation and automation facilitated better cross-functional coordination.

Deeper integration within the SAP landscape, supported by digital quality and laboratory systems, further elevated data integrity and efficiency. A digital supplier onboarding and management platform has also been integrated to standardise onboarding, improve visibility and support audit and regulatory readiness. As we move forward, advanced analytics and AI enabled tools will be increasingly deployed to navigate risks, optimise costs and ensure supply consistency.

Building Confidence through Robust Governance

Our suppliers are central to effective risk management, quality assurance and upholding Neuland’s reputation. Accordingly, a Supplier Code of Conduct is applicable for all our suppliers, including those providing raw materials and packaging, and must be upheld at all times.

The Supplier Code of Conduct aligns our suppliers to our expectations in the areas of:

- Adherence to laws and regulations
- Business ethics
- Human rights and employment practices
- Environmental protection and safety
- International trade compliance
- Data privacy

Additionally, the Supplier Code of Conduct also requires the suppliers to respect the legal rights of their employees to join or refrain from joining worker organisations, such as trade unions and is readily available on the Company’s website for easy access by all.

Targeted supplier engagement is also undertaken at regular intervals through a structured framework that includes audits, regular performance reviews, code of conduct alignment, capability building initiatives and prompt issue resolution, alongside commercial discussions. Besides providing opportunities for open interaction, these engagement platforms create room for mutual improvement and build stakeholder trust.

Advancing Sustainability across the Supply Chain

A significant part of our carbon footprint is linked to Scope 3 emissions arising from upstream supply chain activities. Addressing this requires close collaboration with suppliers, improved emissions visibility and a structured approach to integrating sustainability into sourcing decisions.

During the year, we strengthened our greenhouse gas (GHG) inventorisation approach by adopting a hybrid, data-driven methodology for Scope 3 emissions assessment across the supply chain. Emissions were quantified using a combination of supplier-specific inputs, Ecoinvent database factors and publicly available disclosures such as supplier annual reports and BRSR filings. This has helped improve the accuracy, coverage and reliability of our emissions assessment.

In parallel, we expanded our supplier ESG assessment programme to evaluate sustainability maturity across the supply base. These assessments go beyond self-declarations by reviewing suppliers’ environmental performance, carbon footprint and broader ESG practices. By integrating qualitative ESG evaluations with quantitative emissions profiling, the assessment model provides a more comprehensive view of supplier performance and helps identify priority areas for efficiency improvement, targeted interventions and, where required, alternate sourcing over the long-term.

To strengthen accountability, ESG-focussed supplier audits have been introduced under the Supply Chain ESG Roadmap, which is governed through our ESG and sustainability governance framework. These audits encourage suppliers to commit to time-bound targets and corrective actions, with progress tracked through structured follow-ups.

By combining emissions profiling, ESG assessments and supplier engagement, we are embedding sustainability more deeply into our sourcing approach. This supports stronger supplier relationships, a more resilient supply chain and Neuland’s long-term ambition of achieving net zero emissions.

Supplier GHG Inventorisation Drive

80%

procurement value covered

95%

procurement volume covered

Supplier Base and Spending

Metric	FY 2025-26	FY 2024-25
Total no. of suppliers	1,659	1,020
Total spend on suppliers (₹ crore)	1,572	775.97
Total no. of domestic suppliers	1,522	933
Total spend on domestic suppliers (₹ crore)	1,224	609
No. of suppliers Regional (<800 Km)	1,346	825
Total Spend on Regional (<800 Km) (₹ crore)	1,022.88	495.39
Total no. of international suppliers	137	87
Total spend on international suppliers (₹ crore)	347.8	166.97
Total no. of significant suppliers (Tier 1+ non Tier 1)	255	362
Total no. of Tier 1 suppliers	1,659	1,020
Total no. of significant Tier-1 suppliers	255	362
Total spend on significant Tier-1 suppliers (₹ crore)	1,359	336.91

Supplier Assessment and Development

Supplier Assessment	FY 2025-26	FY 2024-25
Total number of suppliers assessed via desk assessments/on-site assessments	29	33
% of significant suppliers assessed	100%	100%
Number of suppliers assessed with substantial actual/potential negative impacts	0	0
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/ improvement plan	0%	0%

Supply Chain Performance Metrics

Pillar	Metric	Target FY 2025-26	FY 2025-26	FY 2024-25	FY 2023-24
Resilience	% Business de-risked with 2+ sources	> 82%	77%	84%	81%
Reliability	% Rejections	<1%	0.75%	0.52%	0.52%
Delivery	Raw Material OTIF	>99%	99%	99%	99%
Inclusivity	% Spend on MSMEs	>25%	35.2%	42%	35%
Digitisation	% e-Procurement	>85%	100%	100%	95%
Localisation	% Spend within India	>70%	77.9%	78.4%	87.5%
Regionalisation	% Spend within 800 km	>50%	65%	64%	60%
ESG Training	Hours per SCM team member	10 hrs	10 hrs	4 hrs	4 hrs
ESG Training	Hours per Vendor	2 hrs	3 hrs	3.5 hrs	2 hrs
Supplier Screening	% of new significant suppliers screened on ESG criteria	100%	100%	-	100%
Supplier Audits	% of significant suppliers assessed	100%	100%	100%	100%
Grievance Handling	Complaints from suppliers	0	0	0	0

Capacity Building Programmes

Metric	FY 2025-26	FY 2024-25
Total number of significant suppliers in capacity building programmes	295	213
Total value of business done with the covered value chain partners (₹ crore)	322.46	258
% of significant suppliers in capacity building programmes	295	33
Topics covered	ESG, Carbon footprint	ESG, Carbon footprint
Total no. of awareness programmes held	2	3
% of value chain partners covered	21	58

Sustainable Sourcing

Metric	FY 2025-26	FY 2024-25
% of inputs sourced sustainably	10%	25.13%
Total value of sourced material from MSMEs/small producers (₹ crore)	553.34	331.01
% of input material from MSMEs/small producers	35.2	42.66

Grievance Redressal

Metric	FY 2025-26	FY 2024-25	FY 2023-24
Number of complaints received from value chain partners	0	0	0
Number of complaints pending resolution at close of FY	0	0	0



NATURAL CAPITAL

Advancing Trust through Responsible Operations

Natural capital is central to how Neuland supports resilient operations, responsible growth and long-term value creation. In a business where manufacturing reliability, compliance and customer trust are closely linked, the efficient and responsible management of energy, water, emissions and waste remains integral to sustaining performance.

As environmental expectations continue to sharpen across markets, regulations and stakeholder groups, natural capital is also becoming a stronger enabler of competitiveness and future readiness. Our focus is on building greater efficiency and transparency across operations, while reducing environmental impact and supporting delivery excellence over the long-term.

Key Highlights

100%

Manufacturing facilities are Zero Liquid Discharge compliant

99.9%

Hazardous Waste recycled or reused

₹ 59.95 crore

Investments since FY 2021-22 in EHS-related capex, with ~50% directed towards environmental initiatives and climate action

Execution Enablers

KPI-led reviews

ESG-integrated scale-up and onboarding

Enhanced treatment and monitoring infrastructure

Strategic Priorities Aligned

S2

S3

S4

Material Matters

- Emissions and Climate Change
- Water Neutrality
- Green Chemistry & Sustainable Manufacturing
- Energy Management
- Waste and Effluent Management

BRSR Linkages

Principle 2

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

Principle 4

Businesses should respect the interests of and be responsive to all their stakeholders

Principle 6

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

UN Sustainable Development Goals



Key Stakeholders Impacted

- Customers
- Communities
- Regulators

Environment Management System (EMS)

Our Environment Management System is aligned with ISO 14001 and provides a structured framework for environmental stewardship across operations. Governed through internal SOPs and policies aligned with regulatory requirements, it focusses on resource conservation, pollution prevention and continuous improvement across energy, water, emissions and waste. Regular audits, training and monitoring support implementation, while defined environmental KPIs and periodic reviews strengthen accountability.

During FY 2025-26, we strengthened this framework through deeper operational integration and improved monitoring architecture. Energy and water KPIs were introduced into production performance reviews, ESG checkpoints were embedded into process scale-up and vendor onboarding, and pilot initiatives in renewables and wastewater management moved towards more programmatic deployment.

Our efforts were supported by an online monitoring systems and upgraded treatment and recovery infrastructure, improving visibility, control and responsiveness across sites. Supplier sustainability screening was also embedded into vendor onboarding to strengthen upstream risk visibility.

EMS supported by:

- Policies and internal SOPs
- Audits, training and monitoring
- Defined environmental KPIs
- Periodic leadership reviews

Embedding EHS into Operational Discipline

The EHS function supports environmental protection, resource efficiency, pollution prevention and worker well-being across operations. Through defined systems, audits, training and periodic reviews, it helps monitor key indicators such as water use, waste, emissions and workplace safety. A structured EHS MIS process enables monthly performance reviews by the leadership team, supported by corporate EHS guidelines and internal audits.

EHS is also integrated into the change management system, helping ensure that environmental and safety considerations remain embedded in operational decision-making.

Core areas of focus

- Environmental protection services
- Health and safety services

Certifications and standards

ISO 9001

ISO 14001:2015

ISO 27001:2022

ISO 45001:2018

British Safety Council Occupational Health and Safety and Wellbeing

During the year, sustainability became more closely linked with operational performance, risk management and growth execution. Priorities such as climate risk, energy security, water stress mitigation and supplier decarbonisation are now being considered more directly in capex, sourcing and tech transfer. For selected new API lines, we adopted a controlled scale-up approach supported by enhanced engineering controls, including ATEX ventilation and real-time emissions monitoring, even where this extended qualification timelines in support of audit-readiness.

Environmental performance is also reinforcing our competitiveness in global CDMO and API markets, where stronger outcomes across emissions, water, waste and safety support audit readiness, delivery reliability and customer confidence.

Our website hosts the key policies, clearances and certifications that underpin our environmental management approach, including the EHS Policy, Climate Change Policy, ISO certifications, environment clearance orders for Units I and II, and commitments on biodiversity conservation, no deforestation, sustainable supply chains and zero landfill.

Strengthening the Climate Pathway

Our ambition is to become a Net Zero emission company, with interim targets set for 2034. We continue to align our climate actions with recognised global frameworks, including the Science Based Targets initiative, the UN Sustainable Development Goals and relevant regulatory expectations.

The SBTi provides a science-based framework for setting emissions reduction targets in line with global climate goals, and it remains an important reference point in shaping our decarbonisation pathway. We have also been signatories to the United Nations Global Compact since September 2022, and our sustainability efforts remain aligned with its ten principles. Defined metrics, regular reviews and ongoing supplier engagement continue to support the refinement of our decarbonisation pathway, particularly across relevant Scope 3 categories.

Progress highlights

- In June 2025, we validated our baseline with SBTi- for Scope 1 , Scope 2 and Scope 3 emissions (Baseline: FY 2023-24)



Energy Management

Improving energy efficiency remains an important part of how we strengthen operational performance, manage costs and reduce environmental intensity across our sites. During the year, our focus remained on optimising energy use through process improvements, equipment upgrades and tighter monitoring, while continuing to support reliable operations.

Progress highlights

Installation of IE3 Energy Efficient Motors

IE3 motors were deployed to improve energy performance in critical equipment by reducing electrical losses, lowering operating costs and enhancing reliability.

Deployment of kVAR Energy Controllers for Chillers

kVAR controllers were installed to optimise reactive power, improve power factor and reduce energy wastage in chiller operations.

Installation of Capacitor Banks

Capacitor banks were integrated into the electrical network to reduce reactive power losses, improve load handling and lower power-related costs.

Upgradation of EC (Electronically Commutated) Blowers

Conventional blowers were upgraded to EC blowers to improve airflow control, reduce power consumption and lower maintenance requirements.

Improvements to Cooling Tower Systems

Cooling tower systems were enhanced through performance upgrades aimed at improving thermal efficiency, reducing water consumption and lowering HVAC energy use.

Implementation of Heat Recovery Technologies

Heat recovery systems were used to capture and reuse waste heat from processes and utilities, helping reduce additional fuel and energy requirements.

Enhancements Through Process Automation

Automation was expanded across selected operations to improve control, reduce manual intervention and maintain systems closer to their most energy-efficient operating conditions.

Adoption of HHO (Hydroxy Gas) Systems for Combustion Efficiency

HHO systems were introduced to improve combustion efficiency in boilers and furnaces, supporting lower fuel consumption and reduced emissions.

Implementation of Boiler Automatic Blowdown Control

Automatic blowdown controls were used to optimise boiler water management, helping conserve treated water, reduce heat losses and improve steam generation efficiency.

Renewable Energy

1. Prioritised renewable power arrangements

We continued to evaluate renewable power options, including wheeling, group-captive and third-party models, to support long-term decarbonisation and reduce dependence on conventional power sources.

2. Optimised the fuel mix

As part of the Company's fuel diversification strategy, biomass briquettes accounted for ~15% of the total coal consumption during FY 2025-26

Installation of Automatic Oxygen (O₂) Trim Controls in Boilers

O₂ trim controls enabled real-time optimisation of air-fuel ratios in boilers, improving combustion efficiency and reducing excess fuel use and emissions.

Optimisation and Right Sizing of Boiler Capacity

Boiler capacity and configuration were reviewed to better match process demand, helping improve part-load efficiency and reduce unnecessary fuel consumption.

Leakage Monitoring and Reduction for Compressed Air & Nitrogen Systems

Structured monitoring and repair of leakages across compressed air and nitrogen systems helped reduce utility losses, improve pressure stability and lower energy use.

Optimised Voltage Maintenance for Energy Efficiency

Voltage optimisation measures were implemented to maintain stable supply conditions, reduce energy losses and support better equipment performance and life.

By implementing the outlined energy conservation projects, a reduction of 298,227 kWh and 727.55 tCO₂e per year was achieved under Scope 2, while under Scope 1, a reduction of 597 tonnes of coal and 1,124 tCO₂e per year was achieved.

Fuel optimisation initiatives resulted in reduced consumption of coal and LPG in all Units and Diesel in Unit 1 and Unit 2 in FY 2025-26 compared to both the base year and FY 2024-25, reflecting continued progress in energy efficiency and emissions reduction efforts.

Energy Consumption

Energy Indicators	Unit	FY 2023-24	FY 2024-25	FY 2025-26
Power consumption	TJ	144.2	153.80	176.70
Power Consumption	MWh	39,241.40	42,735.58	49,083.37
Fuel consumption				
Diesel	TJ	9.48	9.99	12.03
Coal	TJ	223.69	216.18	250.27
LPG	TJ	1.28	2.95	2.08
Biomass Briquettes (Renewable Energy)	TJ	-	-	31.59
Total energy consumption	TJ	377.16	383.37	472.77
Energy intensity	TJ/Revenue in ₹ million	0.02	0.03	0.02
Energy intensity	TJ/Per tonne of Product	0.81	0.86	1.25

Note: FY 2025-26 energy consumption includes one-off, expansion-related consumption in Unit 3 during Apr-Aug 2025 for construction, validation and related pre-operational activities. This consumption has been included in the reported total for transparency, but is not production-linked. This expansion-related energy consumption is estimated at ~0.34% of FY 2025-26 total energy consumption].



Emissions Management

We continue to strengthen our approach to emissions management through better measurement, tighter controls and more proactive monitoring across operations. Our focus extends across Scope 1 and Scope 2 emissions, relevant Scope 3 categories, and air emissions such as VOCs, supported by systems that improve visibility, traceability and response.



Scope 1

Direct emissions

Our Scope 1 emissions arise from stationary combustion sources such as diesel generators and boilers, mobile combustion from company vehicles, and fugitive emissions from refrigerants. These are calculated using emission factors based on IPCC and ASHRAE standards.



Scope 2

Indirect emissions

Our Scope 2 emissions arise primarily from purchased grid electricity and are calculated using a location-based approach, using emission factors from the CO2 Baseline Database for the Indian Power Sector.



Scope 3

Indirect emissions

Our Scope 3 greenhouse gas emissions are reported in line with the GHG Protocol and include categories such as purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, leased assets and downstream transportation. A significant portion of our Scope 3 footprint comes from the supply chain. Accordingly, we are engaging with suppliers to improve data quality and support meaningful reduction in supply chain emissions.

Progress highlights

- Fuel optimisation initiatives resulted in reduced absolute consumption of Coal by 1% and LPG by 30%
- Undertook Leak Detection and Repair surveys to identify and address high-impact VOC emission points across operations
- Strengthened fugitive emissions control through refrigerant replacement and tracking, with R-22 reducing by 40% compared with FY 2024-25 and by 48% compared with FY 2023-24

Our Greenhouse Gas Emissions

GHG Emission Indicators	Unit	FY 2023-24	FY 2024-25	FY 2025-26
Scope 1 Emissions		22,983	27,761	29,324.15
Scope 2 Emissions	tCO ₂ e	28,097	31,060	34,849.39
Scope 3 Emissions		1,04,977.89	1,28,244	1,58,999.72
Total GHG Emissions	tCO₂e	1,56,058	1,87,065	2,23,173.26
GHG Emission Intensity	tCO ₂ e/Revenue in ₹ million	10.01	12.67	11.03
GHG Emission Intensity	tCO ₂ e/Per tonne of Product	336.66	421.14	589.11
Emissions reduced using briquettes / Bio Genic emissions	tCO ₂ e			3,538.01

Our FY 2023–24 (Baseline Year) GHG Emissions Profile, and emissions inventory was validated by the Science Based Targets initiative (SBTi) earlier this financial year. During FY2025-26, Scope 1 and Scope 3 emission boundaries were reviewed and updated in line with relevant emission sources to ensure consistency, and long-term comparability of emissions data.

Breakdown of Scope 3 Emissions

No.	Category	FY 2023-24	FY 2024-25	FY 2025-26
1	Purchased Goods and Services	81,203.00	99,794.33	130,093
2	Capital Goods	1,517.00	1,780.60	4,250
3	Fuel and Energy-related Activities	17,625.00	21,120.80	18,315.67
4	Upstream Transportation & Distribution	2,068.00	3,247.23	3,866
5	Waste Generated in Operation	359.89	360.66	319.83
6	Business Travel	446.09	222.94	226.51
7	Employee Commuting	69.34	47.43	39.37
8	Leased Assets	905.16	839.89	1,019.34
9	Downstream Transportation	783.84	829.71	870
Total tCO₂ Eq		1,04,977.89	1,28,243.58	1,58,999.72

Air Quality Improvement Initiatives

We are strengthening air quality management through cleaner processes, improved controls, regular monitoring and transparent reporting. Key initiatives include:

Emission Control Systems: Deploying advanced scrubbers and filters to capture and minimise harmful emissions from manufacturing processes.

Regular Maintenance: Ensuring timely maintenance of emission control systems to sustain efficiency and effectiveness.

Green Chemistry: Prioritising safer, non-toxic chemicals and applying green chemistry principles to reduce hazardous emissions, minimise waste generation and improve environmental performance.

Continuous Monitoring: Using advanced monitoring systems to track air quality and emissions levels on an ongoing basis.

Transparent Reporting: Disclosing progress on GHG emission reduction and air quality improvement through sustainability reporting.

Refrigerant Management: Replacing R-22 refrigerant with R-404a in HVAC systems to improve system efficiency and reduce environmental impact linked to refrigerant use and leakage.

Air Emissions Other than GHG Emissions

Air Pollutants (in tonnes)	FY 2023-24	FY 2024-25	FY 2025-26
SOx	74.15	70.14	55.91
NOx	28.23	26.02	18.50
Particulate Matter (PM)	37.18	35.70	30.85

Responsible Water Management

Water stewardship remains an important part of how we manage environmental impact and operational resilience across our sites. This is becoming increasingly important as heat stress, monsoon variability and water availability emerge as more material considerations.

Our approach combines conservation, treatment, reuse and monitoring to improve water efficiency, reduce dependence on freshwater and support compliance. Zero Liquid Discharge technology across our manufacturing plants helps ensure that no liquid waste is discharged into the environment, while efficient equipment and green chemistry principles support water conservation and the minimisation of wastage.

As our facilities are located in notified industrial areas, groundwater restoration or usage is not feasible, making efficient water management and reuse especially important. We therefore support our approach through water audits, internal reviews and independent third-party assessments to drive continuous improvement and compliance with applicable environmental standards, while also updating stakeholders on our water performance through sustainability disclosures. We also deferred a non-critical production expansion until effluent treatment and water reuse capacity augmentation were completed.

Wastewater generation decreased by 2.2% in FY 2025-26 compared to FY 2024-25.

Water Withdrawal/Consumption

Water Indicators	Unit	FY 2023-24	FY 2024-25	FY 2025-26
Total Water consumed (including recycled water)	m³	1,28,000	1,41,490	1,88,097.65
Intensity	m3/crore (₹) of turnover	81.48	94.45	92.98
Intensity	KL/Kg of production	0.28	0.32	0.49

Note: FY 2025-26 water consumption includes one-off, expansion-related usage associated with construction, commissioning, validation, and related pre-operational activities. This usage has been included in the reported total for transparency but is not fully comparable with recurring production-linked consumption. The expansion-related water usage represented ~2.7% of FY 2025-26 total water consumption.

Progress highlights

- Reused 92% of permeate and condensate in utilities, gardening and process cleaning
- Strengthened monitoring through online pH, COD and flow meters with interlocks, supported by periodic third-party testing
- Continued to improve water efficiency through process optimisation and targeted conservation measures
- Advanced water resilience through rainwater harvesting upgrades, source diversification and a sharper focus on increasing wastewater reuse to >70–85%
- Completed water audits across all manufacturing units to identify conservation opportunities and drive the implementation of water efficiency measures.
- Installed water-saving aerator fixtures and automated tank interlocks to support a targeted 10% reduction in water consumption

Water recycled increased by 0.9% in FY 2025-26 compared to FY 2024-25.

Waste Management and Circular Economy

Responsible waste management remains an important part of how we reduce environmental impact and maintain disciplined operations across our sites. Our approach focusses on minimising waste at source, ensuring safe handling and segregation, strengthening recovery and reuse, and maintaining compliant disposal across hazardous and non-hazardous waste streams. Established recycling programmes continue to support material recovery, while our broader approach increasingly emphasises circularity and resource efficiency.

Responsible Waste Handling

Waste Categories	Type	Handling and Disposal
 Hazardous Waste	Evaporation salt, process salt, spent carbon, ETP sludge, insulation waste, spent mixed solvents, used oil and used PPE	Managed in line with the Hazardous Waste Management Rules, 2016. Zero waste to landfill.
 Non-Hazardous Waste	E-waste, plastic, paper, glass, metals and empty drums	Established recycling programmes to capture and recycle materials.

Progress highlights

- Audited all waste management vendor as part of a stronger vendor assurance approach
- Maintained waste diversion from landfill, verified by an independent third party
- Upgraded waste segregation and solvent recovery systems to enhance resource recovery minimise reliance on disposal pathways



Total Hazardous Waste - Disposal-Wise

Method	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Land Fill	MT	0	0	0	0
Reused/Recycle					
• Co-processing/Reuse	MT	5,651.45	7,021.29	5,276.35	7,865.13
• Recycling	MT	20.85	5.14	4.04	7.87
Incineration	MT	3.95	4.33	5.47	5.47
Total Hazardous Waste Quantity	MT	5,676.25	7,026.43	5,280.39	7,873.01

Hazardous Waste Treatment Method - Percentage

Method	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Land Fill	%	0	0	0	0
Reused/Recycle					
• Co-processing	%	99.56	99.93	99.92	99.92
• Recycling	%	0.37	0.07	0.08	0.01
Incineration	%	0.07	0.0	0.0	0.07

Total Waste Generated

Waste Type	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Non-Hazardous Waste	MT	61.42	83.58	2,613.71	7,002.81
Hazardous Waste	MT	5,676.25	7,026.43	5,280.39	7,864.48
Biomedical Waste	MT	3.95	4.33	5.47	5.47
Sub-total (HW, BMW)	MT	5,680.2	7,030.76	5,285.86	7,873.01
Total Waste generated	MT	5,741.82	9,795.08	7,899.57	14,875.81

Note: The reporting boundary for FY 2025–26 was expanded to include additional waste streams, enabling a more comprehensive and transparent assessment of the Company’s waste management performance. Including this improvement in practice, FY 2025-26 total waste generated includes one-off waste from expansion-related activities, including construction, demolition, infrastructure development and validation. This waste has been included in the reported total for transparency, although this portion is not recurring operational waste. Expansion activity-related waste, including construction debris, represented ~22% of FY 2025-26 total waste generation.

Waste Generated

Waste Indicators	Unit	FY 2023-24	FY 2024-25	FY 2025-26
Total Waste Generated		9,795.08	7,899.57	14,875.81
Of which -				
Waste reused	metric tonnes	7,068.02	5,389.76	7,887.41
Waste recycled		2,685.87	2,504.34	6,983.47
Waste disposed - Biomedical waste		4.33	5.47	5.47
Waste Generation Intensity	tonne/crore (₹) of turnover	6.23	5.35	7.35
Waste Generation Intensity	Per Tonne of Product	21.12	17.78	39.27

All 3 operational units are Zero Waste to Landfill certified with Platinum diversion rate by TUV India.

Hazardous Waste Diversion Rate - 99.98%

Non-Hazardous Waste Diversion Rate - 98.01%



Zero waste

to landfill certified manufacturing plants

Exposure to Hazardous Substances

We are reducing exposure to hazardous substances through safer chemistry, process optimisation and responsible waste treatment.

- **Green Chemistry:** Designing processes that minimise the use and generation of hazardous substances
- **Safer Alternatives:** Using safer, non-toxic alternatives to reduce waste toxicity
- **Process Optimisation:** Improving manufacturing efficiency to reduce hazardous waste at source
- **Waste Treatment:** Using advanced treatment technologies to neutralise hazardous waste before disposal

Biodiversity

We view biodiversity as an essential part of responsible operations and long-term environmental stewardship. Even though our facilities are located in industrial zones with limited natural habitats, we remain alert to the ways in which manufacturing activity can influence the surrounding ecosystem, particularly through emissions, wastewater and resource use.

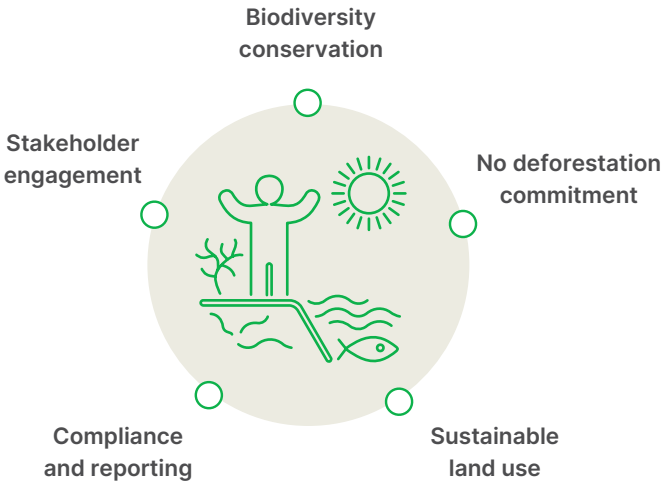
Neuland’s operations reflect a low biodiversity risk profile, and the company is positioned to evolve its biodiversity management practices in line with global best practices.

Our biodiversity assessment across operational sites helped identify these potential areas of influence and strengthened our understanding of both direct and indirect environmental interactions. This has informed a more structured approach within our Environmental Management System, where biodiversity screening forms part of the evaluation of new projects and expansions, enabling risks to be identified early and mitigation measures to be built in from the outset.

Our response continues to focus on practical safeguards such as Zero Liquid Discharge systems, green belt development and disciplined waste segregation, alongside the broader commitments set out in our Biodiversity and No Deforestation framework. Together, these measures support a balanced approach that seeks to protect ecological sensitivities while sustaining responsible growth.

For more information, please refer to the Company's website for the Biodiversity Conservation Policy and the Biodiversity Impact Assessment Report.

Commitment to Biodiversity



Corporate Information

Board of Directors

Dr. Davuluri Rama Mohan Rao
Executive Chairman

Mr. Davuluri Sucheth Rao
Executive Vice-Chairman

Mr. Davuluri Saharsh Rao
CEO & Managing Director

Mr. Homi Rustam Khusrakhan
Non-Executive Independent Director

Mr. Prasad Raghava Menon
Non-Executive Independent Director

Mr. Sugata Sircar
Non-Executive Independent Director

Ms. Pallavi Joshi Bakhru
Non-Executive Independent Director

Dr. Ravi Shankar Gopinath
Non-Executive Independent Director

Dr. Mauricio Futran
Additional Non-Executive Director

Chief Financial Officer

Mr. Abhijit Majumdar

Company Secretary & Compliance Officer

Ms. Sarada Bhamidipati

Audit Committee

Mr. Homi Rustam Khusrakhan
Chairperson

Mr. Sugata Sircar
Member

Ms. Pallavi Joshi Bakhru
Member

Mr. Prasad Menon
Member

Stakeholders Relationship Committee

Ms. Pallavi Joshi Bakhru
Chairperson

Mr. Davuluri Sucheth Rao
Member

Mr. Davuluri Saharsh Rao
Member

CSR Committee

Mr. Prasad Menon
Chairperson

Dr. Davuluri Rama Mohan Rao
Member

Mr. Davuluri Sucheth Rao
Member

Mr. Davuluri Saharsh Rao
Member

Ms. Pallavi Joshi Bakhru
Member

Nomination and Remuneration Committee

Mr. Homi Rustam Khusrakhan
Chairman

Mr. Prasad Raghava Menon
Member

Ms. Pallavi Joshi Bakhru
Member

Risk and Sustainability Committee

Mr. Prasad Raghava Menon
Chairperson

Mr. Homi Khusrakhan
Member

Mr. Davuluri Sucheth Rao
Member

Mr. Davuluri Saharsh Rao
Member

Dr. Ravi Shankar Gopinath
Member

Strategy and Technology Committee

Dr. Ravi Shankar Gopinath
Chairperson

Dr. Mauricio Futran
Member

Dr. Davuluri Rama Mohan Rao
Member

Mr. Davuluri Sucheth Rao
Member

Mr. Davuluri Saharsh Rao
Member

Registered Office

NEULAND LABORATORIES LIMITED
CIN: L85195TG1984PLC004393
11th Floor (5th Level), Phoenix Ivy Building, Plot No. 573A-III, Road No. 82, Jubilee Hills, Hyderabad - 500033, Telangana, India

Listing

BSE Limited (BSE) – Scrip Code: 524558
National Stock Exchange of India Limited (NSE) Scrip Code: NEULANLAB

Statutory Auditors

M S K A & Associates LLP
(Formerly known as M S K A & Associates), 1101/B, Manjeera Trinity Corporate, JNTU, Hitech City Road, Kukatpally, Hyderabad - 500072, Telangana

Internal Auditors

M/s. Ernst & Young LLP
The SKYVIEW 10, 18th Floor, “Zone A”, Survey No. 83/1, Raidurgam Hyderabad - 500032, Telangana

Secretarial Auditors

M/s. P.S. Rao & Associates
Flat No. 10, 4th Floor, D. No. 6-3-347/22/2
Ishwarya Nilayam, Opp. Sai Baba Temple Dwarakapuri Colony, Panjagutta, Hyderabad - 500082, Telangana

Bankers

State Bank of India, Overseas Branch, Jubilee Hills, Hyderabad
Axis Bank Limited, Begumpet, Hyderabad
HDFC Bank Limited, Banjara Hills, Hyderabad
Kotak Mahindra Bank Limited, Somajiguda Branch, Hyderabad
IndusInd Bank Limited, Secunderabad

Registrar and Share Transfer Agents

KFin Technologies Limited
Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda Serlingampally Mandal, Hyderabad - 500032, Telangana

Management Discussion & Analysis

ECONOMY OVERVIEW

Global Economy

The global economy maintained steady growth of 3.4% in both 2024 and 2025. This growth was driven by strong investments in artificial intelligence, particularly in North America and Asia. Global economic growth reflects the combined effect of contrasting forces. While evolving trade policies have created headwinds, strong investment momentum in technology – particularly artificial intelligence – has provided significant support, especially in North America and Asia. At the same time, geopolitical tensions and ongoing conflicts, including the Russia–Ukraine war and Israel–Iran conflicts, added further uncertainty to the global environment. The escalation of tensions involving Iran has also heightened risks of oil price volatility and global logistics disruptions, particularly from potential disruptions to key shipping routes such as the Strait of Hormuz. This has increased input-cost pressures, freight volatility, and supply chain uncertainty for energy-importing economies, thereby

adding to inflationary risks and dampening global trade momentum. Global economic growth was further supported by accommodative fiscal and monetary policies and the private sector’s strong adaptability, which helped offset challenges from U.S. tariffs that remained in place despite key trade agreements. Global headline inflation declined to an estimated 4.1% in 2025, down from 5.9% in 2024, and is expected to further moderate to 3.8% in 2026 and 3.4% in 2027. According to the January 2026 International Monetary Fund (IMF) report, the global economy is projected to grow by 3.1% in 2026 and 3.2% in 2027.

Source: [World Economic Outlook, April 2026](#)

Indian Economy

India’s FY 2025-26 Gross Domestic Product growth is estimated at 7.4%, according to the economic survey report dated January 20, 2026, driven by strong consumption and investment. Externally, total exports (merchandise and services) hit a record US\$ 860.1 billion in FY 2025-



26, with further upside from India’s recently concluded Free Trade Agreement with the European Union, following three years of negotiations, which is expected to enhance market access amid global trade uncertainties. India and the United States have also reached an interim bilateral trade framework designed to enhance economic cooperation and pave the way for a comprehensive trade agreement during FY 2025-26. However, FY 2025-26 proved to be an exceptionally challenging year for India’s economy on the external front. The external environment remained highly uncertain, particularly following policy announcements impacting the pharmaceutical sector in early April 2026 – such as increased scrutiny of drug pricing, tighter regulatory expectations and discussions around supply chain security and import dependence. Heightened uncertainty in global trade, coupled with the imposition of high and punitive tariffs by key partners, placed significant stress on manufacturers – particularly exporters. In response, the government leveraged this crisis as a catalyst for reform, accelerating critical measures such as the rationalisation of GST rates and further simplification of compliance requirements across various industries.

In FY 2025-26, the Reserve Bank of India (RBI) shifted its monetary stance toward easing and reduced the repo rate by a cumulative 100 basis points. The rate was reduced from its earlier peak of 6.50% to 5.50% by October 2025, and further cut to 5.25% in December 2025 to support growth amid moderating inflation. As of February 6, 2026, the RBI’s Monetary Policy Committee kept the repo rate unchanged at 5.25% and maintained a neutral policy stance, focussing on maintaining stability amid global uncertainties. Real GDP growth for FY 2026-27 is projected to range between 6.8% and 7.2%, reflecting steady economic momentum supported by strong domestic demand, continued investment activity and improving macroeconomic stability.

Source:
[Ministry of Finance -India, The White House, Washington](#)

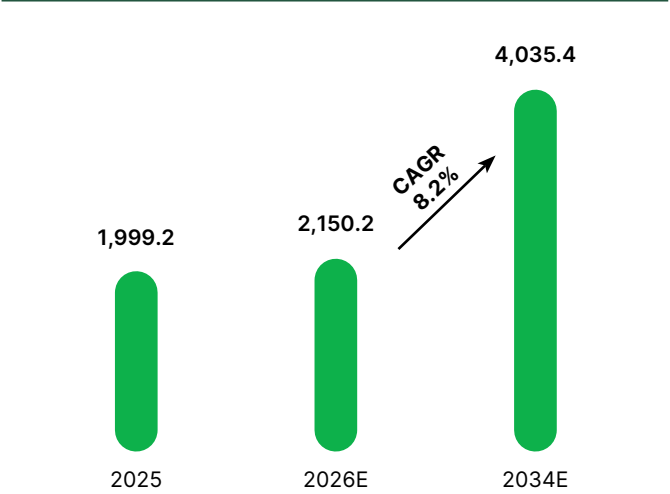
INDUSTRY OVERVIEW

Global Pharmaceuticals Industry

The Pharmaceutical industry remains integral to modern healthcare systems, as it is essential for the prevention, management and treatment of both acute and chronic conditions, including cardiovascular diseases, infectious diseases, cancer and metabolic disorders. The global pharmaceutical industry has exhibited sustained growth and resilience, driven by continuous advances in medical science, rising healthcare expenditure and broader access to essential medicines. The global pharmaceutical industry was valued at US\$ 1,999.2 billion in 2025 and is expected to expand significantly in the coming years. It is projected

to grow from US\$ 2,150.2 billion in 2026 to US\$ 4,035.4 billion by 2034, registering a compound annual growth rate (CAGR) of 8.2% during the forecast period. This anticipated growth reflects strong underlying demand for innovative therapies, alongside substantial investments in research and development to address evolving healthcare needs.

Global Pharmaceuticals Market Size (In US\$ billion)



E: Estimated
Source: Fortune Business Insights

North America is expected to remain the leading region in the global pharmaceutical industry, accounting for 44.8% of the total market share in 2026. The region’s dominance can be attributed to its well-established healthcare infrastructure, high per capita healthcare spending, robust intellectual property framework and considerable investment in biotechnology and drug development, all of which support innovation and accelerate the commercialisation of new treatments. By 2035, the pharmaceutical industry is expected to take on a broader and more transformative role in healthcare. Advances in science are likely to enable pharmaceutical companies to treat and, in some cases, cure diseases for which effective treatments are currently unavailable. At the same time, the industry is expected to evolve beyond its traditional role of manufacturing medicines and increasingly position itself as a long-term health partner. This transformation will be driven by scientific innovation, artificial intelligence, integrated healthcare ecosystems, and a patient-centric approach to support health and well-being across all stages of life.

Over the past five years, 394 novel active substances (NAS) have been launched globally, though the number has been lower in certain regions.

Recent Trends and Growth Drivers in the Global Pharmaceuticals Industry

Rising Disease Burden	- Increasing prevalence of chronic diseases such as cancer, metabolic disorders - Growing ageing population requiring long-term treatment
Innovation and Technological Advancements	- Expansion in complex medicines including modalities such as peptides, oligonucleotide, and RNA-based therapies - Integration of digital health technologies and AI in drug discovery
Strong R&D Investments	- Significant funding toward novel drug development - Strategic collaborations between pharmaceutical / biotech companies with contract manufacturers to meet the required capacity
Regulatory Support	- Faster approval pathways for critical therapies - Proactive government initiatives to promote pharmaceutical innovation

Source: [Fortune business insights, June 2026](#)

Global Specialty Pharmaceuticals Market

Specialty pharmaceuticals primarily entail specialty drugs or medications distinct from traditional or general pharmaceuticals, typically used to treat complex, chronic or rare medical conditions such as cancer, autoimmune disorders. They include biologic drugs, gene therapies, cell therapies or other advanced treatment modalities. The global specialty pharmaceuticals market was valued at US\$ 311.7 billion in 2024 and is expected to expand from US\$ 326.5 billion in 2025 to US\$ 519.8 billion by 2035, registering a CAGR of 4.8%.

The North American specialty pharmaceuticals market is expected to grow from US\$ 170.8 billion in 2024 to US\$ 284.0 billion in 2035, reinforcing its position as the largest regional market in this segment. Europe’s specialty pharmaceuticals market is projected to expand from US\$ 70.0 billion in 2024 to US\$ 115.0 billion in 2035, maintaining its role as a key contributor to global demand. The Asia-Pacific region is forecast to increase from US\$ 40.7 billion in 2024 to US\$ 76.0 billion in 2035, reflecting its evolution into a major growth engine, supported by rising healthcare investment and improved patient access to medicines, vaccines and advanced therapies. The South American pharma industry is expected to grow from US\$ 17.1 billion in 2024 to US\$ 26.0 billion in 2035, while the Middle East & Africa pharma industry is projected to rise from US\$ 13.1 billion in 2024 to US\$ 19.0 billion in 2035, indicating steady but smaller-scale expansion.

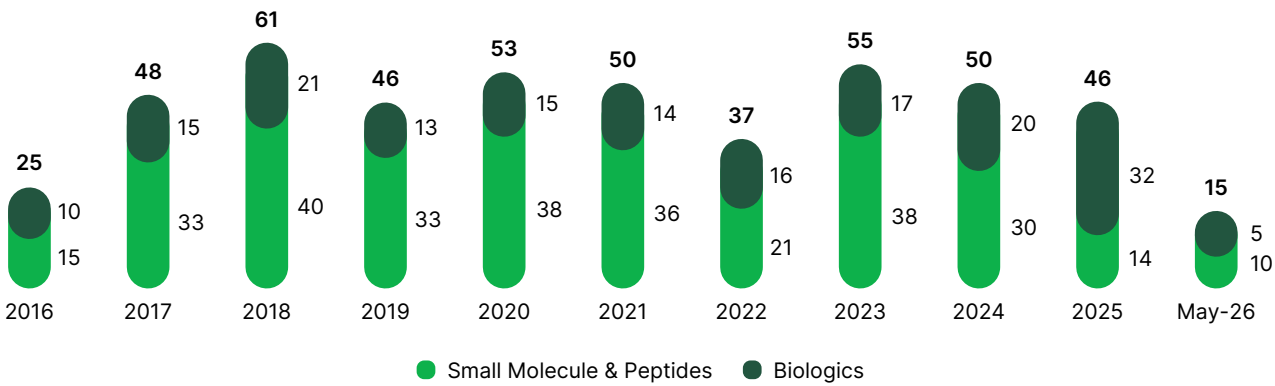
Source: [Market Research Future; New Molecular Entity \(NME\) Drug and New Biologic Approvals - FDA](#)

Global Active Pharmaceutical Ingredients (API) market

The API market refers to the global trade and production of the therapeutically active components used in medicines, serving as the foundational building blocks for the pharmaceutical industry’s drug manufacturing. The global API industry is witnessing sustained growth, driven by rising pharmaceutical demand, increasing prevalence of chronic diseases and continuous innovation in drug development. At the same time, investments in precision medicine, high-potency APIs and green chemistry are reshaping manufacturing processes and supporting sustainable production. Regulatory emphasis on quality, transparency and current Good Manufacturing Practices (cGMP) continues to influence industry dynamics, prompting manufacturers to modernise facilities and adopt digital quality systems.

Over the past decade, FDA approvals of New Molecular Entities (NMEs) and new biologics under New Drug Application (NDAs)/Biologics License Application (BLAs) have remained consistently robust, reflecting sustained innovation in the U.S. pharmaceutical and biopharmaceutical sector. USFDA approvals remained strong over the last decade, ranging from 25 to 61 annually, with 471 total molecule approvals during the period. Small molecules and peptides consistently dominated approvals, averaging 30 approvals per year compared with 17 for biologics.

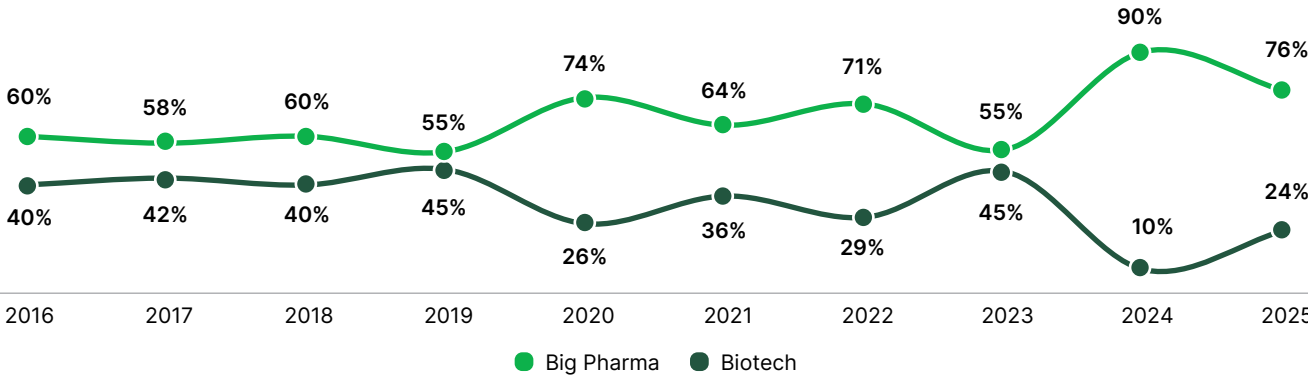
Annual USFDA Drug Approvals by Modality (2015–2026)



Source: Internal Team Analysis

Biotech companies steadily increased their contribution to small-molecule approvals from 60% in 2016 to 76% in 2025. In contrast, Big pharma’s share declined from 40% to 24% over the same period, reflecting a significant industry shift toward biotech-led innovation and development in small molecules and synthetic peptides.

Share of Small Molecule Approvals: Biotech vs Big Pharma (%)



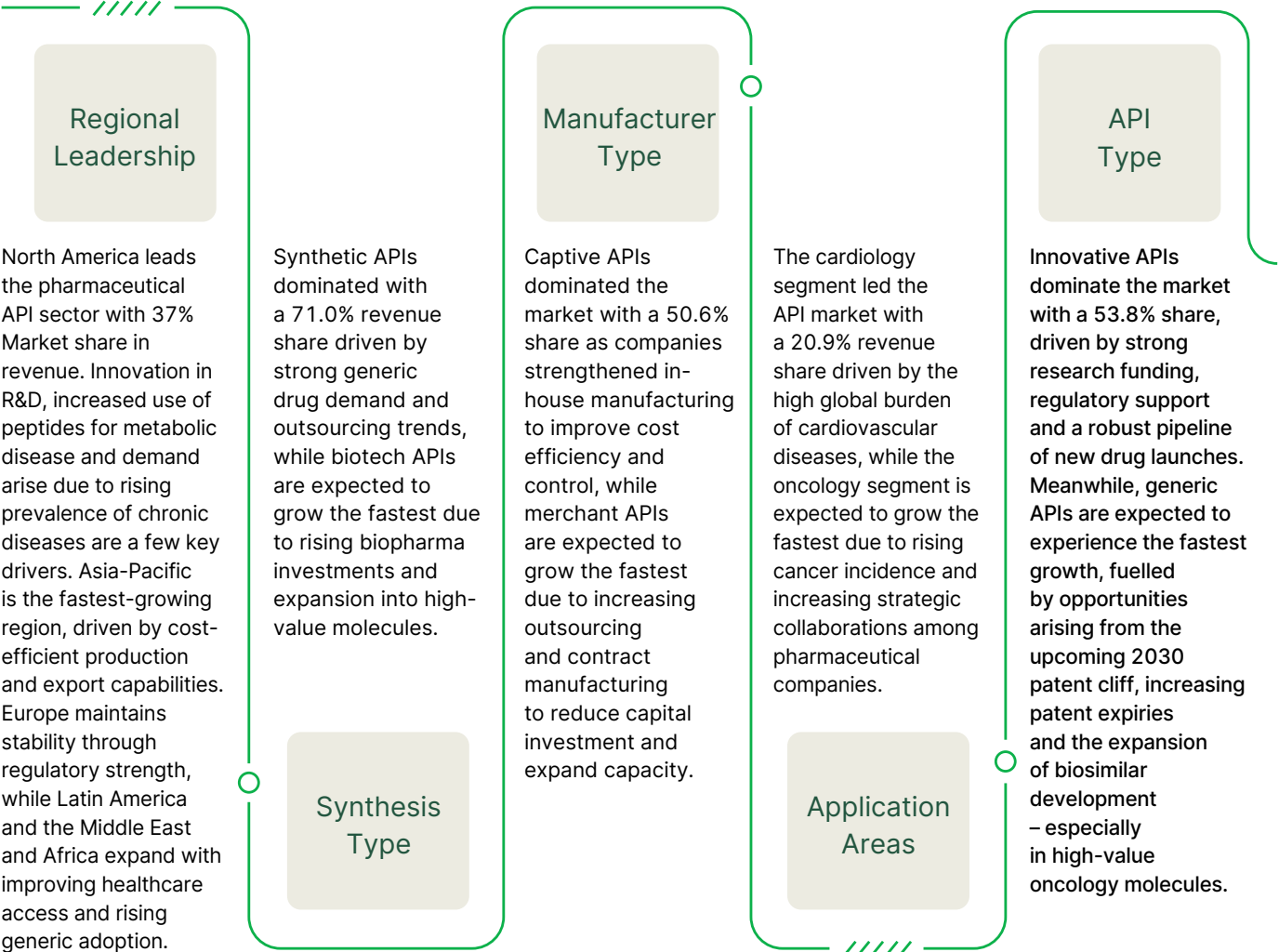
Source: Internal Team Analysis

Biotech-led small-molecule approvals increased from -9 in 2016 to -24 in 2025, demonstrating sustained innovation momentum and stronger pipeline execution.

The upcoming global patent cliff is expected to create a substantial medium to long-term growth opportunity for generic and biosimilar manufacturers, including Indian players, across both the small-molecule and complex biologics segments. A large number of branded drugs are expected to lose patent exclusivity during the latter half of this decade and into the early 2030s. Following patent expiry, generic and biosimilar manufacturers are likely to introduce more affordable alternatives, increasing market competition and improving patient access. The global pharmaceutical industry is entering a decisive phase, with an estimated US\$ 200 - US\$ 300 billion

worth of blockbuster drugs expected to lose exclusivity between 2026 and 2032. The value at risk is substantial. According to GlobalData’s Pharma Intelligence Centre, the cumulative sales risk from blockbuster drugs losing patent protection between 2026 and 2032 is estimated to exceed US\$ 200 billion in the US. A total of 33 blockbuster biologics and 28 blockbuster small-molecule drugs are expected to lose patent protection during this period. The opportunities arising from the expiration of blockbuster biologic drugs are projected to exceed US\$ 137 billion, while those from small-molecule blockbuster drugs are expected to surpass US\$ 63 billion. Among these, GLP-1 drugs such as semaglutide are witnessing rapid growth, with annual sales expected to increase from more than US\$ 69 billion as of January 2026 to over US\$ 80 billion by 2027.

Global Active Pharmaceutical Ingredients Market — Key Insights & Snapshot for 2025



The growth of the global API market is closely tied to the expanding peptide market, as peptides are small protein-like molecules used in modern medicines to target specific functions in the body. Increasing demand for these highly precise and effective treatments is driving the need for specialised, high-quality pharmaceutical ingredients for their manufacture. Advances in peptide synthesis and purification technologies and the rising adoption and applications of targeted therapies in chronic disease treatment are further strengthening the interdependence between the two markets. The global API market comprises many chemical classes, including traditional small molecules, biologics, high-potency APIs, oligonucleotides and peptides. The global peptide API market was valued at US\$ 6.0 billion in 2025 and is projected to grow from US\$ 7 billion in 2026 to approximately US\$ 14 billion by 2030,

registering a CAGR of 18.5% during the forecast period. This growth is driven by a robust, expanding clinical pipeline, with the FDA TIDES review identifying hundreds of peptide-based candidates currently under development worldwide. These include therapeutic, diagnostic, and theranostic applications, including peptide inhibitors, peptide–drug conjugates, and other next-generation peptide platforms. Regulatory momentum is also strengthening the outlook. In 2025 alone, the US FDA approved 4 TIDES-based therapeutics (1 peptide, 3 oligonucleotides). This builds on 34 peptide approvals between 2016 and 2024, reflecting sustained innovation and clinical adoption. 40+ peptides are investigated in phase 3, with 6+ in the preregistration stage.

Source: [Express Pharma](#); [New Molecular Entity \(NME\) Drug and New Biologic Approvals - FDA](#)

Pharmaceutical Contract Development and Manufacturing Organisations (CDMO) market

The global pharmaceutical Contract Development and Manufacturing Organisation (CDMO) industry is experiencing strong growth, driven by increasing outsourcing by pharmaceutical and biotechnology companies and rising demand for cost-efficient, scalable manufacturing solutions. The Pharmaceutical CDMO market size is expected to grow from US\$ 258.9 billion in 2025 to US\$ 275.27 billion in 2026, and is forecast to reach US\$ 374.7 billion by 2031, at a 6.3% CAGR over 2026-2031. Robust outsourcing demand for complex molecules, the rise of high-potency APIs (HPAPIs), and artificial-intelligence-enabled process-development platforms underpin this trajectory. Peptide-based GLP-1 therapies, expanding vaccine programs, and sustained investment in digitally connected plants further amplify the need for specialist partners capable of absorbing capital and regulatory risks. North American innovators continue to anchor high-value biologics and innovation in advanced therapeutics work, while Asia-Pacific cost advantages accelerate capacity expansion.

API manufacturing remains the largest segment, accounting for nearly 55% of the market in 2025. Small molecules account for around 62% of the market. Strong oral dosage forms held nearly 40% market share, while sterile injectables are emerging as the fastest-growing segment with growth exceeding 9% CAGR due to rising demand for injectable therapies. Oncology accounted for more than 32% of total

CDMO revenues, and high-potency APIs (HPAPIs) are expected to grow at more than 8% CAGR, supported by increasing demand for oncology drugs.

North America dominated the global CDMO industry with nearly 37% market share in 2025, supported by strong biologics capabilities, advanced R&D infrastructure and high pharmaceutical spending. At the same time, the Asia-Pacific region is expected to be the fastest-growing, with a CAGR of more than 7%, driven by cost advantages, expanding manufacturing infrastructure, and supportive government initiatives. The industry is also witnessing rapid adoption of advanced technologies such as AI-enabled process development, continuous manufacturing, automation and digital quality systems.

The expansion of the global CDMO market is largely driven by the increasing outsourcing of drug development and manufacturing activities by pharmaceutical and biotechnology companies seeking to reduce operational costs, access specialised expertise and accelerate product commercialisation. Europe accounted for the second-largest share, benefiting from regulatory alignment with international standards and growing participation in biotech forums that enhance service visibility. Meanwhile, the Asia-Pacific region is expected to witness significant growth driven by rising investment in biopharmaceutical research, expanding manufacturing capacity, and favourable government support in countries such as China, India, and Japan.



Key Trends Shaping the Global CDMO Market

- 1 Shift Toward Complex & Advanced Modalities:** CDMO demand in 2026 is strongly driven by complex therapies such as Peptide, Oligonucleotide, Antibody-Drug Conjugate (ADCs), cell & gene therapies, mRNA and radiopharmaceuticals, as manufacturing complexity continues to exceed inhouse pharma capabilities of biotech companies
- 2 Geographic Rebalancing & Supply Chain De-Risking:** Regulatory and geopolitical forces – especially the U.S. BIOSECURE Act – are accelerating the shift of manufacturing away from China toward the U.S., Europe, India and South Korea, benefiting compliant regional CDMOs.
- 3 Integrated Development-to-Commercial Partnerships:** Sponsors — particularly small and mid-sized biotechs with limited in-house manufacturing bandwidth — increasingly prefer CDMOs that provide seamless development, clinical, and commercial manufacturing under a single umbrella, reducing tech-transfer risk and accelerating timelines.
- 4 Specialisation Within Integrated Offerings:** At the same time, sponsors are moving away from generalist "one-stop-shop" models in favour of CDMOs with deep, differentiated expertise in specific modalities or complex technologies. Specialised capabilities enable more efficient resolution of complex challenges, stronger differentiation, and higher client trust.
- 5 Digitalisation & Operational Efficiency Focus:** In 2026, CDMOs are accelerating digital manufacturing, data analytics and selective AI adoption to improve tech transfer speed, quality compliance and capacity utilisation amid tighter funding conditions.

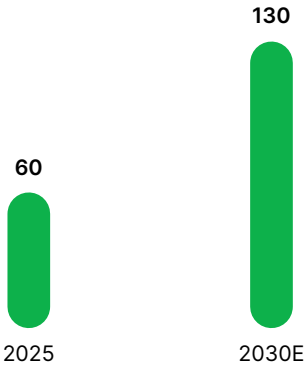
Source: Mordor Intelligence; Vision life sciences market intelligence

Indian Pharmaceuticals Industry

The Indian pharmaceutical industry is one of the fastest-growing segments in the global healthcare industry and remains a critical player in the international pharmaceutical supply chain. The Indian pharmaceutical industry is the 3rd-largest globally by volume and 11th-largest by value, supported by a highly fragmented yet large ecosystem comprising over 3,000 companies and 10,500 manufacturing units. India is also the largest global supplier of generic medicines, contributing around 20% of global generic supply and manufactures approximately 60,000 generic brands across 60 therapeutic categories. The domestic pharma industry is valued at approximately US\$ 60 billion and is projected to grow to US\$ 130 billion by 2030, supported by rising healthcare demand and continued expansion of access to medicines.

India also maintains a strong export presence, ranking 11th globally in pharmaceutical exports, with products reaching 191 countries in FY 2024-25. The total pharma exports have grown substantially to US\$ 30.5 billion in FY 2024-25, up nearly 16-fold from US\$ 1.9 billion in 2000-01, reflecting its evolution into a key global supplier of affordable generics. The pharma industry continues to attract capital, with FDI inflows of ₹13,193 crore in FY 2025-26 (up to September 2025). India's longstanding reputation as the "Pharmacy of the World" is supported by its well-established generic drug manufacturing capabilities, cost-efficient production infrastructure, highly skilled scientific and technical workforce and progressively strengthening regulatory compliance framework aligned with global standards. India has the highest number of United States Food and Drug Administration (USFDA)-approved manufacturing plants outside the United States, reflecting strong global confidence in the quality and compliance of its pharmaceutical sector. The country also has around 500 active pharmaceutical ingredient (API) manufacturers, contributing nearly 8% of global API production.

Indian Pharmaceuticals Industry Size (In US\$ billion)



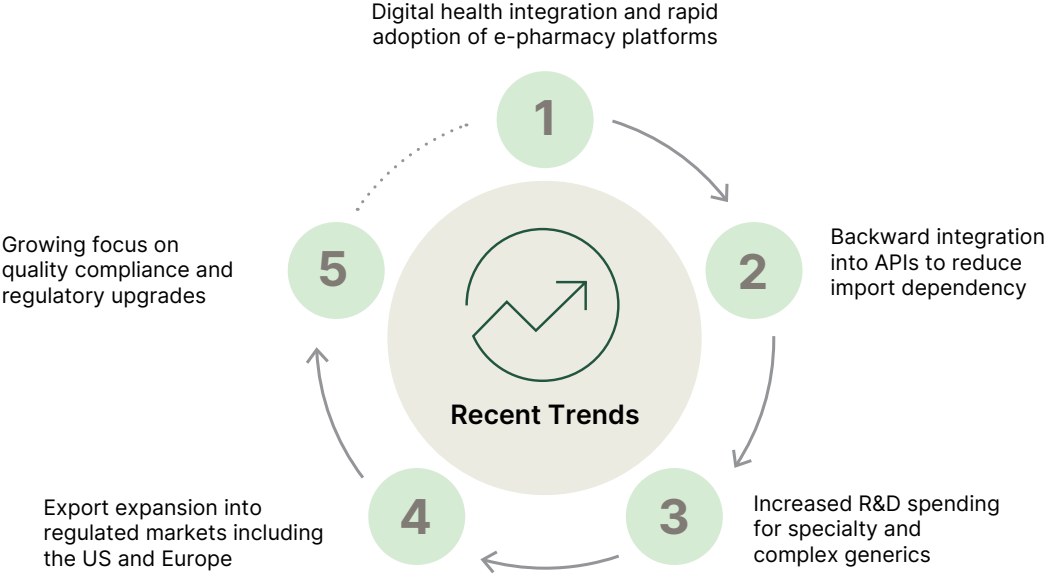
Source: PIB Report

The growth trajectory of the Indian pharmaceutical industry depends on several structural and demographic factors. Increasing healthcare awareness among the population, rising penetration of health insurance coverage and the growing burden of chronic and lifestyle-related diseases are collectively driving sustained demand for pharmaceutical products. In addition, consistent government support to strengthen domestic pharmaceutical manufacturing has further accelerated sectoral growth. Strategic initiatives such as the Production-Linked Incentive (PLI) scheme, along with investments in bulk drug parks and API manufacturing infrastructure, are enhancing domestic capabilities in active pharmaceutical ingredient and formulation production, thereby improving supply chain resilience and reducing import dependence. Moreover, the Indian pharmaceutical companies are significantly increasing their investments in biosimilars, monoclonal antibodies and specialty therapies as part of a strategic effort to move up the pharmaceutical value chain.

The Indian pharmaceutical industry's strong global presence in generics and specialty formulations is closely supported by the Indian API market, which serves as the backbone of drug manufacturing and ensures supply chain reliability, cost competitiveness and regulatory compliance across domestic and export markets. The Indian API market forms a critical backbone of the country's pharmaceutical industry, supporting both domestic formulation manufacturing and global drug supply chains. The India API market is projected to grow from US\$ 14.2 billion in 2025 to US\$ 15.3 billion in 2026 and is expected to reach US\$ 22.2 billion by 2031, registering a CAGR of 7.7% during 2026–2031. The growth of the API market is projected to be supported by favourable government policies, rising export demand and sustained capacity expansion initiatives.

The PLI scheme has been encouraging investment in new manufacturing facilities and bulk drug parks, helping to reduce logistics costs and improve manufacturers' access to infrastructure. At the same time, buyers in the United States and Europe are diversifying their sourcing away from China, leading to increased inquiries from Indian contract manufacturers. Indian companies are also upgrading their capabilities in fermentation, high-containment manufacturing and continuous processing to serve high-value segments such as oncology and biotechnology. The adoption of AI-based process controls is improving efficiency by reducing production cycle times and energy usage. However, the pharma industry faces challenges, including fluctuations in key starting-material prices from China and compliance gaps among smaller manufacturers. These factors are encouraging greater backward integration and stronger quality systems, which are expected to enhance the industry's long-term competitiveness.

The API market serves as the foundation of the CDMO market, as robust API development and manufacturing capabilities enable CDMOs to offer integrated, end-to-end solutions from drug substance development to finished-dosage manufacturing. The Indian CDMO market was valued at US\$ 25.8 billion in 2025 and is projected to grow from US\$ 29.5 billion in 2026 to US\$ 57.9 billion by 2031, registering a CAGR of 14.4% during the forecast period (2026–2031). This strong growth is driven by India's cost-effective manufacturing capabilities, availability of a skilled technical workforce and supportive government initiatives such as the PLI scheme, which is encouraging capacity expansion across the sector.



Source: [IMARC](#), [Ministry of Finance - India](#), [Mordor Intelligence](#)

GOVERNMENT INITIATIVES

US Policy Environment

Recent policy discussions and regulatory actions in the United States highlight a strong focus on pharmaceutical supply chain resilience, API sourcing diversification and reduced overdependence on single geographies, which indirectly support the strategic positioning of Indian API manufacturers. As of January 2026, India accounts for about 48% share of U.S.-referenced API Drug Master Files and generic drug supplies, reinforcing its role as a trusted manufacturing partner. Additionally, regulatory initiatives by the U.S. Food and Drug Administration to strengthen manufacturing oversight and improve review efficiency, along with bilateral trade engagement reported by Mint, demonstrate how evolving U.S. policy frameworks are shaping sourcing strategies and creating opportunities for compliant, globally integrated Indian API firms to expand their footprint in the U.S. market. This shift is further supported by the ongoing “China+ 1” strategy, under which global buyers are actively diversifying procurement away from China toward alternative hubs such as India. In parallel, such supply chain reconfiguration also serves as a practical hedge against potential U.S. tariff escalation and broader trade policy uncertainty by distributing sourcing across multiple geographies rather than concentrating risk in a single market.

European Policy Environment

The 2024–2029 policy framework of the European Union (EU) reflects a decisive shift toward pharmaceutical security, supply-chain resilience and innovation-led competitiveness – developments highly relevant to Indian API manufacturing and exporting companies. The proposed Critical Medicines Act and the establishment of the Critical Medicines Alliance signal a structured approach to reducing shortages, diversifying API sources and strengthening strategic partnerships with reliable, EU-GMP-compliant suppliers. In parallel, the ongoing reform of EU pharmaceutical legislation under the European Commission and regulatory oversight by the European Medicines Agency are modernising approval pathways, enhancing monitoring of supply risks and tightening quality and transparency standards. Complementary initiatives such as the Health Technology Assessment Regulation, the European Health Data Space and broader life sciences competitiveness measures further reinforce a harmonised, data-driven and innovation-oriented ecosystem. The evolving policy landscape prioritises strong regulation, sustainable manufacturing and diversified sourcing, positioning compliant and technologically advanced Indian API exporters as key partners in supporting Europe’s pharmaceutical supply security and long-term resilience. Within this

framework, India is well placed to benefit from deeper trade and regulatory engagement, with the evolving FTA discussions offering meaningful scope to enhance market access, streamline compliance pathways and improve tariff predictability for pharmaceutical products, including APIs.

Indian Policy Environment

The Union Budget for FY 2026-27 marks a significant push for India's health and pharmaceutical

sectors. The budget also emphasises healthcare infrastructure, human resource development, digital health and industry incentives, covering measures such as expanded hospital capacity, upgradation of educational institutions, establishment of accredited clinical trial sites and customs duty exemptions for life-saving drugs, all aimed at advancing India's pharmaceutical research & development (R&D) and global competitiveness. The budget also proposed the following:

i Budgetary Boost to Health & Pharma R&D

- Total allocation to the Ministry of Health & Family Welfare: ₹1,06,530.4 crore, about 10% rise over FY 2025-26
- Department of Health Research (DHR) allocation increased to ₹4,821 crore, up by 24% from the previous year
- The Indian Council of Medical Research (ICMR) budget has been enhanced to ₹4,000 crore, up 27% from the previous year

ii 'Bio Pharma Shakti' Initiative

This initiative was officially announced and launched as part of the Union Budget for the FY 2026-27 on February 1, 2026. Under this initiative following have been announced:

- Dedicated ₹10,000 crore over the next 5 years to strengthen the domestic biopharma ecosystem
- Focus on biologics, biosimilars and pharmaceutical research
- Creation of 3 new National Institute of Pharmaceutical Education and Research (NIPERs) and upgradation of 7 existing NIPERs
- Establishment of 1,000 accredited clinical trial sites nationwide

Source:
[Quality Matters Article](#), [PIB](#)

iii Industry Incentives & Export Promotion

- Policy measures to promote domestic API and pharma manufacturing, reduce import dependence and position India as a global pharmaceutical hub
- Includes financial support and incentives under national initiatives for biologics and biosimilars over 2026-2031 (as projected under Bio Pharma Shakti)

iv Strengthening Drug Regulation Framework

- Augmentation of the Central Drugs Standard Control Organisation's (CDSCO) scientific and regulatory capacity to promote pharmaceutical R&D

v Healthcare Infrastructure & Capacity Expansion

- Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PM-ABHIM) allocation: ₹4,770 crore, a 67.7% increase in FY 2026-27, to support district hospitals, critical care blocks and integrated public health laboratories
- Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) allocation: ₹11,307 crore in FY 2026-27 for new All India Institute of Medical Sciences (AIIMS), medical college upgradation and super-specialty blocks
- Expansion of trauma and emergency care centres in every district hospital



COMPANY OVERVIEW

Neuland Laboratories Limited (hereafter referred to as 'Neuland' or 'the Company') is a leading global API CDMO, with a legacy of more than 4 decades and a strong reputation for maintaining high-quality products and business standards. The Company is headquartered in Hyderabad, India and operates as a pure-play API manufacturing service provider. Neuland offers a wide range of customised chemistry solutions designed to meet the evolving requirements of the global pharmaceutical industry. Over the past 18 years, the Company has evolved significantly through its work on new chemical entities (NCEs) with numerous venture-backed biotech firms as well as recent engagements with Big Pharma.

The Company has established itself as a trusted API-preferred partner with significant expertise in complex chemistry. Neuland provides a comprehensive suite

of services, including custom synthesis and the supply of advanced intermediates and APIs across multiple stages of clinical development. It also offers Chemistry, Manufacturing, and Controls (CMC) support for New Drug Application (NDA) filings and manufacturing support throughout the commercial product lifecycle, from product launch and lifecycle management to eventual genericisation.

Neuland is supported by highly proficient technical and scientific teams that have helped build strong brand equity in its current GMP API manufacturing and enabled faster drug development. The Company's key strength lies in its consistent delivery of high-quality APIs manufactured at its three cGMP United States Food and Drug Administration (US FDA)-approved facilities, supported by robust process chemistry and a stringent regulatory compliance framework.

BUSINESS SEGMENTS

- Generic Drug Substances (GDS):** Neuland has focussed since its inception on developing and manufacturing non-exclusive APIs, supported by agile, scalable facilities and a portfolio of more than 65 molecules, having developed processes for over 150 generic molecules over the last 4 decades. The Company addresses both large-volume, mature molecules and low-volume, high-complexity molecules with limited competition, organised into Prime APIs and Specialty APIs within the GDS portfolio. The Company operates a dedicated Process Investigation Department that continually optimises processes to lower customers’ total cost. Neuland runs GDS operations that comply with leading global regulatory standards and uphold a strong EHS culture, assuring safety and compliance. The Company relies on robust process controls to deliver consistent product quality, reliable supply and predictable delivery timelines. The Company maintains a manufacturing footprint that supports seamless scale-up from gram-level development to large commercial volumes and is underpinned by structured project management and governance across multiple geographies. Neuland brings 42 years of API experience, a portfolio of more than 100 APIs across 10 therapeutic areas, over 300 processes developed, more than 1,007 global filings and more than 286 patent filed, serving customers in over 80 countries.
- Prime APIs:** The Prime API segment includes a portfolio of 12 APIs that drive business growth. Key molecules include Mirtazapine (an antidepressant) and Ezetimibe, along with other important compounds such as Escitalopram, Enalapril, Sotalol and Labetalol.
- Specialty APIs:** The Specialty APIs segment is a high-margin, profit-driving business with a portfolio of over 50 value-added APIs focussed on select customers. The Company works with complex compounds, often protected by patents, which are used in validation batches and regulatory filings. Key molecules in this segment include Apixaban, Paliperidone Palmitate Sterile, Aripiprazole Sterile, Dorzolamide, Brinzolamide, Deferasirox, Donepezil and Salmeterol. Two new Drug Master Files (DMFs) were filed during FY 2025-26 for Vonoprazan and Edoxaban, further strengthening the Company’s portfolio.
- Custom Manufacturing Solutions (CMS):** The Company’s CMS capabilities include the entire drug development lifecycle, from pre-Investigational New Drug (pre-IND) stages and the supply of materials for clinical trials, to large-scale commercial manufacturing. The Company demonstrates particular expertise in collaborating with biotechnology clients, supporting the scale-up of their molecules from preclinical research to Phase III clinical trials while enabling rapid scale-up and minimising technology-transfer lead times. The CMS business segment of Neuland Laboratories Limited is backed by 18 years of CDMO experience, supports 98 active projects, has contributed to 4 approved NDAs as part of the initial filing, and has enabled 27 IND filings, reflecting its strong development, regulatory and manufacturing capabilities.



OPERATIONAL HIGHLIGHTS

- In FY 2025-26, Ezetimibe and Mirtazapine remain major contributors to the core GDS portfolio, playing a pivotal role in its overall performance and growth. On the specialty side, Apixaban and Donepezil made notable contributions to the portfolio, while Paliperidone faced some shipment delays due to operational challenges at the customer end. However, the company continued to see good interest in its portfolio of filed products as well as those under development
- In FY 2025-26, the Company achieved a significant milestone with the Board’s approval to relocate its R&D facility to a new campus, enabling the development of a larger, state-of-the-art research and development centre in Hyderabad’s Genome Valley
- The new large-scale peptide facility is on track for commissioning in the near term, with clear visibility into programs expected to support initial utilisation post-validation
- Neuland serves customers in more than 80 countries and derives around 90% of its total revenue from exports. The United States and Europe are its key markets, together contributing over 94% of total export revenue
- Neuland has established a strong global regulatory footprint with over 1,007 filings as of March 2026,

supported by a diversified presence across key regulated and semi-regulated markets. This includes 75 active US DMFs, 33 filings with Health Canada, 10 Japanese DMFs, 17 China DMFs, 26 filings with KFDA (Korea), and 28 filings with TGA (Australia). In addition, the Company has filed approximately 289 dossiers across ROW markets such as Turkey, Mexico, and Brazil, and around 499 EUDMF filings across key European geographies, including Germany, France, Poland, and Italy. The portfolio is further strengthened by 30 CEPs received for various products, reflecting its strong compliance and quality track record across jurisdictions. In FY 2025-26, the Company also filed 2 additional DMFs and commercialised one new molecule, further strengthening its regulatory and product pipeline

- Neuland has a total manufacturing capacity of 1,226 kilolitres (KL) and continues to expand its capacities to support backward integration and new business opportunities. The Company maintains a strong focus on enhancing capabilities in deuterated molecules, peptides, enzymatic reactions and cryogenic processes. Neuland is also committed to sustainability, with targets to reduce absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 58.8% by FY 2033-34. The Company aims to achieve net-zero emissions across its value chain by FY 2049-50, attain water neutrality by FY 2049-50 and ensure zero waste to landfill



FINANCIAL OVERVIEW

Financial Performance

Metric	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Total Income (₹ in crore)	588.9	533.7	670.3	766.6	953.0	953.0	1200.9	1571.1	1497.3	2053.1
EBITDA (₹ in crore)	106.9	54.6	61.4	105.3	162.5	144.3	281.1	474.5	342.8	603.4
EBITDA Margin	18.1%	10.2%	9.2%	13.7%	17.1%	15.1%	23.4%	30.2%	22.9%	29.4%
PAT (₹ in crore)	46.4	11.8	16.1	15.9	80.3	63.5	163.1	299.6	259.4	363.1
PAT Margin	7.9%	2.2%	2.4%	2.1%	8.4%	6.7%	13.6%	19.1%	17.3%	17.7%
EPS (₹ per share)	41.6	10.6	12.8	12.4	62.6	49.5	127.1	233.5	202.2	283.0

Statement of Profit and Loss

Revenue for the Company stood at ₹ 2,053.1 crore in FY 2025-26, up from ₹ 1,497.3 crore in FY 2024-25, reflecting a year-on-year increase of 37.1%. Revenues recorded a strong expansion, primarily driven by the scale-up of key molecules within the CMS business, reflecting improved commercial traction and execution across the portfolio. This higher revenue base also strengthened overall financial performance through operating leverage, supporting margin expansion and improved return ratios.

EBITDA of the Company stood at ₹ 603.4 crore in FY 2025-26, compared to ₹ 342.8 crore in FY 2024-25, reflecting a year-on-year change of 76.0%. The movement was driven by changes in the business mix and operating-leverage benefits.

Profit after tax stood at ₹ 363.1 crore in FY 2025-26, compared to ₹ 259.4 crore in FY 2024-25, reflecting a year-on-year change of 40.0%.

R&D Investment

R&D spend stood at ₹ 79.2 crore in FY 2025-26, compared to ₹ 61.2 crore in FY 2024-25, reflecting continued investment in capability building and equipment augmentation.

Key Change in Significant Financial Ratios

Interest Coverage Ratio

The interest coverage ratio stood at 35.1x in FY 2025-26, compared to 59.2x in FY 2024-25, largely influenced by movement in EBITDA and finance costs.

EBITDA Margin (%)

EBITDA margin stood at 29.4% in FY 2025-26, compared to 22.9% in FY 2024-25, reflecting a 650 bps expansion driven by improved operating leverage and business mix.

Net Profit Margin (%)

Net profit margin stood at 17.9% in FY 2025-26, up from 17.6% in FY 2024-25, reflecting a 30 bps increase driven by improved profitability.

Net Debt to Tangible Net Worth Ratio

Net debt-to-tangible net worth ratio stood at -0.10 in FY 2025-26, compared to -0.18 in FY 2024-25, reflecting a 0.08 change in balance sheet leverage during the year.

Current Ratio

The current ratio stood at 2.1 in FY 2025-26, down from 2.4 in FY 2024-25, indicating a 14% decline in liquidity position.

Cash Conversion Cycle

Cash conversion cycle stood at 137 days in FY 2025-26, compared to 107 days in FY 2024-25, primarily driven by higher inventory levels and increased receivables.

Return on Capital Employed (ROCE) & Return on Invested Capital (ROIC)

ROCE stood at 26.1% in FY 2025-26, compared to 17.9% in FY 2024-25, reflecting improved capital efficiency. ROIC stood at 21.1% in FY 2025-26, compared to 14.6% in FY 2024-25.

Fixed Assets Turnover

Fixed assets turnover stood at 2.5 in FY 2025-26, compared to 2.3 in FY 2024-25, supported by a higher revenue base and improved asset productivity.

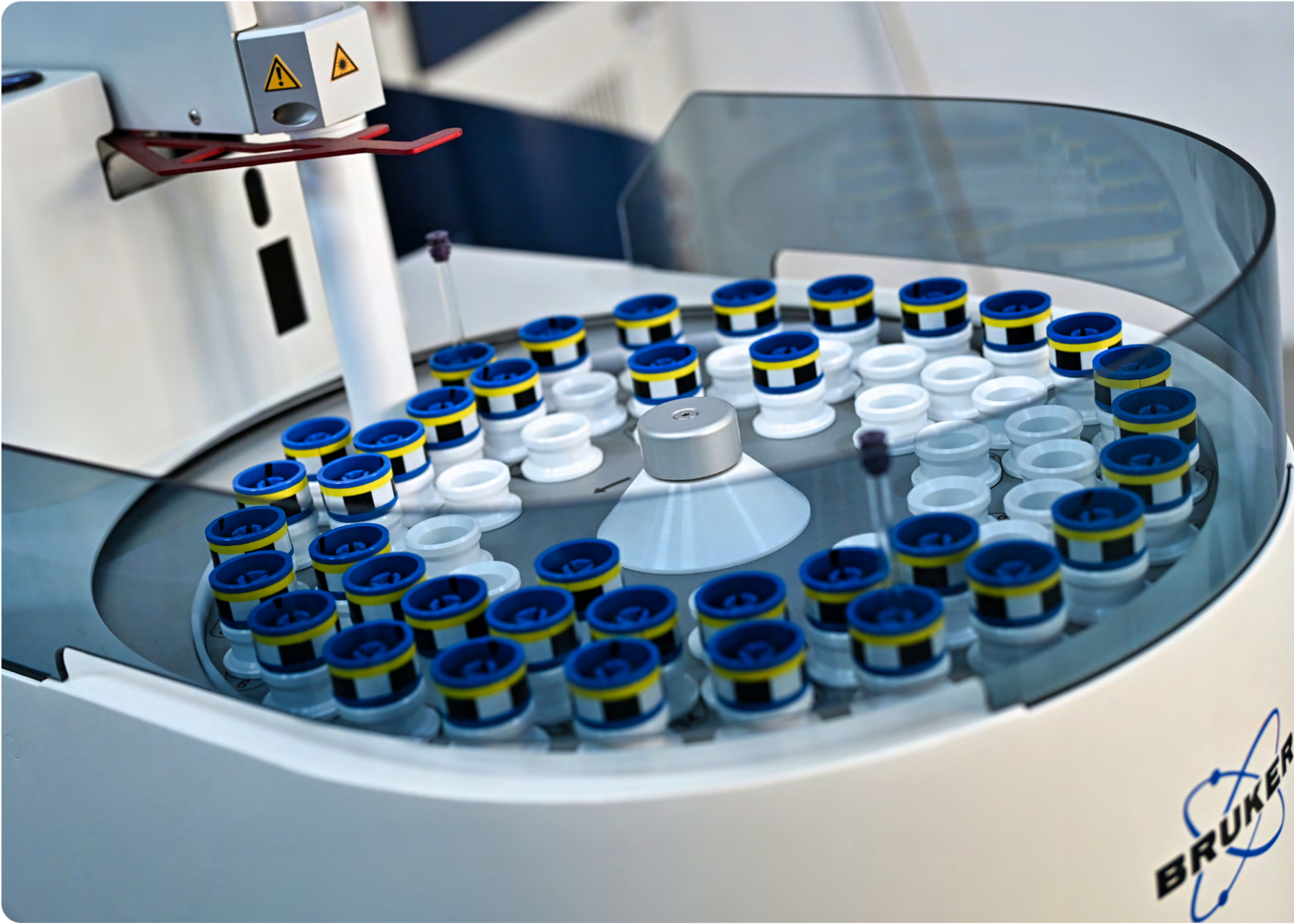
Operating Profit Margin

Operating Profit Margin stood at 24.9% in FY 2025-26, up from 18.5% in FY 2024-25, reflecting a 640 bps increase driven by improved profitability.

BUSINESS OUTLOOK

Neuland is steadily evolving into a more innovation-led and globally integrated CDMO platform, with its dual strategy of strengthening high-margin specialty products while scaling the Prime API business, which is expected to drive sustainable and balanced growth over the long term. The Company continues to see strong traction in new business wins, creating a growing pipeline of opportunities expected to support future scale-up across both the GDS and CMS segments. The CMS business is entering its next phase of growth, supported by recently commercialised molecules, upcoming launches, and a robust pipeline of development-stage assets, including molecules in Phase 2 and later stages. This expanding pipeline provides increasing visibility on future commercialisation opportunities and reinforces a structurally-driven growth trajectory. Neuland is also accelerating its transition towards a CDMO-focussed model centred on new chemical entities, supported by expanding customer engagements, deeper

relationships with innovators, and increased participation in complex development programs. The continued ramp-up at Unit 3 is expected to enhance execution capabilities and support larger commercial opportunities. At the same time, the Company is building differentiated capabilities in peptides through multiple collaborations with innovators and targeted NCE opportunities. Significant traction has been reported from both big pharma and small mid-size biotech companies for process development and scale up for peptides. The upcoming peptide facility will be ready by H2 2026. Along with this new R&D centre at Genome Valley, is expected to significantly strengthen Neuland’s technology platform, enabling participation in higher-value and more innovation-driven programs. Moreover, the new production block, together with the planned expansion of Unit 1 through land acquisition, is expected to provide additional manufacturing flexibility, faster scale-up, and improved operational readiness to meet future customer requirements.



RISK MANAGEMENT

The Company faces a range of risks due to the complex and uncertain nature of drug development, manufacturing and distribution. Its robust risk management framework enables the identification, assessment and mitigation of these risks, minimising their impact on business operations. These strategies also ensure compliance with laws and regulations, protect public health and safeguard the Company’s reputation and financial stability. Neuland consistently delivers high-quality products and maintains stakeholder confidence by proactively managing risks.

Risk	Definition	Mitigation strategies
Supply chain risk	Disruptions in the timely delivery of raw materials, components, or finished products can occur due to factors such as transportation challenges, unforeseen geopolitical events, or supplier issues. These disruptions may lead to production delays or shortages of essential drugs, which could affect the Company's profitability.	The Company continuously works to minimise its reliance on any single supplier and actively seeks to expand and diversify its supply chains. Neuland conducts in-depth research on both domestic and international market trends to anticipate potential fluctuations in input prices and respond proactively to market volatility.
Non-compliance risk	Failure to comply with laws, regulations and guidelines established by regulatory authorities, such as the FDA in the United States and the EMA in Europe, can lead to significant legal and operational risks. Non-compliance may result in fines, sanctions, or mandatory product recalls, causing disruptions to production and supply chains. It can also damage reputation, erode stakeholder trust and negatively impact relationships with patients, healthcare professionals and business partners. Continuous monitoring of regulatory changes and robust compliance measures are essential to mitigate these risks and ensure product quality and safety.	Neuland has established a comprehensive tax compliance framework to ensure adherence to tax laws and regulations. Neuland conducts regular audits, continuously monitors changes in tax legislation and provides training for its finance and accounting teams. The Company also tracks proposed and newly implemented regulations in India and other countries where it operates. The Company engages external experts to assess the impact of these developments and take necessary actions to maintain compliance. Neuland’s proactive approach enables it to quickly adapt to changes in the tax environment and ensure full compliance. Neuland holds certifications from multiple international regulatory authorities, including the US FDA, EDQM, BfArM (Germany), TGA (Australia), PMDA (Japan), AFSSAPS (France), ANVISA (Brazil) and Cofepris (Mexico). The Company has achieved ISO 9001:2025 certification for all its manufacturing locations.
Market risk	Business operations can be affected by factors such as changes in demand, pricing challenges, foreign exchange fluctuations and increased competition.	The Company actively monitors market changes and implements strategies to adapt operations, aiming to protect business performance, brand value and profitability.
Intellectual Property (IP) risk	The Company’s intellectual property, including patents, trademarks and trade secrets, is exposed to risks such as infringement claims, increased competition, or counterfeit products. These risks could reduce market exclusivity and negatively affect revenue, profit margins and brand value.	The Company closely monitors its intellectual property for potential risks, including patent infringements and challenges. Neuland invests in research and development to innovate and enhance its products and processes to maintain its competitive edge.

HUMAN RESOURCES (HR)

Human Resources plays a central role in Neuland’s success by supporting an inclusive, supportive work culture in which employees are dedicated to achieving customer satisfaction and maintaining high standards of excellence. The Company places strong emphasis on attracting top talent, developing leadership capabilities, enhancing skills, promoting diversity, ensuring employee health and safety and recognising outstanding performance. To support these objectives, Neuland utilises an online Human Resource Management System (HRMS) that facilitates goal-setting, performance appraisals and the provision of constructive feedback. In addition, the Company offers a range of training programs, workshops and mentoring initiatives to support continuous learning and career advancement. Employee contributions and achievements are recognised through the ACE (Acknowledging Commitment and Excellence) awards, presented quarterly and annually. The Company also prioritises employee well-being through wellness initiatives, including regular health checkups, medical insurance and confidential emotional support provided by the third-party service YourDOST. With a global workforce of 2,188 employees, Neuland successfully combines robust HR practices with a culture of development, recognition and care. These initiatives enable Neuland to build a motivated, skilled and resilient workforce that drives sustainable growth and long-term organisational success.

Please refer to page number 96 of the Narrative section for further detailed information

RESEARCH AND DEVELOPMENT

Neuland operates a state-of-the-art R&D facility in Bonthapally, Hyderabad, dedicated to the efficient development of complex molecules, cost-effective synthetic routes and non-infringing processes while minimising impurities. The facility comprises 15 state-of-the-art development laboratories, including 70 fume hoods, specialised peptide and D2 analogue labs, analytical labs, kilo labs for scale-up and pilot plants equipped with polyblock reactors and laboratory reactors for solubility, crystallisation and Design of Experiments (DoE) studies. It also includes dedicated hazardous-waste and wet-lab facilities, as well as Focussed Beam Reflectance Microscopy (FBRM) for particle-size and crystallisation monitoring. Neuland engages in collaborative, client-specific synthesis under confidentiality agreements, delivering tailored solutions with comprehensive analytical support. The facility is backed by approvals from DSIR (Government of India) and the USFDA, and is supported by a strong R&D team of

434 professionals, along with advanced instrumentation, including a 600 MHz NMR system. The Company continually invests in technical skill enhancement, process engineering, Quality by Design (QbD) laboratories and sophisticated technologies to maintain robust quality and innovation in API and intermediate development. Neuland also maintains a strong supply chain management system, optimising inventory, lead times and costs, while promoting employee well-being through health programs, medical insurance and confidential emotional support services.

The Company’s R&D strategy is built on five integrated capability pillars to advance the development of complex, high-value and regulated APIs. The first three pillars focus on scientific and technological depth across process and product development: advanced multi-step synthesis and lifecycle optimisation for complex APIs (including high-potency and low-dose molecules), strong solid-state chemistry capabilities covering polymorph, salt and cocrystal engineering and innovative hybrid technologies integrating SPPS/LPPS, enzymatic and chemical routes. These are further strengthened by expertise in peptide crystallisation and the use of flow chemistry for hazardous or unstable transformations, with emerging hybrid flow-batch manufacturing models designed for scalable, regulatory-ready deployment.

The remaining pillars establish a digitally enabled and compliance-led development ecosystem. Digital R&D capabilities integrate AI-assisted retrosynthesis, centralised knowledge systems, DoE and kinetics-based modelling and early deployment of Process Analytical Technology (PAT) and digital twins to enhance predictability and first-pass success. This is underpinned by a regulatory-first, sustainability-driven design philosophy that embeds Quality-by-Design principles from the outset, along with proactive control strategies, and systematically incorporates sustainability metrics such as PMI, solvent efficiency, and energy consumption to ensure regulatory robustness, operational efficiency, and long-term environmental responsibility.

During FY 2025-26, Neuland Laboratories has reshaped its R&D function from a support role into a core driver of future growth. This has been backed by investment in new state-of-the-art facility of around 1,40,000 sq. ft. The Company is also strengthening its technical capabilities in advanced chemistry while embedding Green Chemistry practices and digital tools, such as Electronic Lab Notebooks, to improve efficiency and data quality.

INFORMATION TECHNOLOGY (IT)

Neuland has developed a strong IT infrastructure that ensures system resilience, uninterrupted workflows, robust data security and effective cross-functional coordination. The Company uses Systems, Applications and Products in Data Processing (SAP) Enterprise Resource Planning (ERP) for core business functions and SAP SuccessFactors for Human Resource Management System (HRMS) processes. Operations are further supported by Customer Relationship Management (CRM), inventory planning tools, a Laboratory Information Management System (LIMS) and a Quality Assurance Management System (QAMS). Employees securely access the in-house intranet, Base Camp and mobile applications through single sign-on integrated with Microsoft Office 365 and the Enterprise Mobility Suite (EMS). Hybrid working is enabled for 90% of operations through Virtual Desktop Infrastructure (VDI). Network and data security is maintained through a Software-Defined Wide Area Network (SD-WAN), virtualised servers, Data Leak Prevention (DLP) systems, Business Continuity Plans (BCPs) and Disaster Recovery (DR) solutions. Neuland prioritises data protection through regular Vulnerability Assessments and Penetration Testing (VAPT), Security Information and Event Management (SIEM) and compliance with Information Security Management System (ISMS) standards certified to International Organisation for Standardisation (ISO) 27001:2013. All stakeholders sign Confidentiality Disclosure Agreements (CDA) to safeguard sensitive organisational information.

ENVIRONMENT, HEALTH & SAFETY (EHS)

Neuland’s senior management is dedicated to achieving excellence in EHS practices and actively works to protect the environment, prevent occupational illnesses and minimise work-related injuries. Corporate responsibility lies at the core of Neuland’s work ethic, with a strong emphasis on EHS. Neuland has implemented a robust EHS management system that focusses on conserving resources, preventing pollution and safeguarding the health and well-being of its employees. The Company promotes the importance of individual well-being and environmental conservation across all business operations, guided by a ‘Safety First’ approach. These efforts have been recognised globally, as reflected in an ESG score of 76 out of 100 awarded by S&P Global. In addition, Neuland is committed to reducing its greenhouse gas emissions by 58.8% by FY 2033-34, compared to the baseline year of FY 2025-26. To achieve this target, the Company is implementing energy-efficiency measures, optimising manufacturing processes and transitioning to renewable energy sources. It is investing in renewable energy projects, such as solar and wind power, installing energy-efficient equipment and improving operational efficiency to reduce its overall carbon footprint.

QUALITY CONTROL AND QUALITY ASSURANCE

Neuland has established a robust framework that aligns with international regulations and adapts to new policies, ensuring the superior quality of its products and services. The Company places strong emphasis on quality control and quality assurance throughout the entire manufacturing process, from the procurement of raw materials to the distribution of finished products. This is achieved through comprehensive quality management systems, regular risk assessments and strict adherence to GMP. Neuland’s quality control laboratories, equipped with advanced instruments such as High-Performance Liquid Chromatography (HPLC), Gas Chromatography (GC), Ultraviolet Spectroscopy (UV), Fourier Transform Infrared Spectroscopy (FTIR), Liquid Chromatography–Mass Spectrometry (LC-MS), Inductively Coupled Plasma Mass Spectrometry (ICP-MS) and X-ray Diffraction (XRD), operate continuously with skilled analysts who ensure product integrity. These laboratories perform analytical testing, method validation, batch release testing and stability studies in accordance with ICH guidelines, guaranteeing consistent compliance with regulatory standards.

WATER & WASTE MANAGEMENT

Neuland has set a target to reduce water consumption by 10% through recycling and efficient water management practices. The Company has upgraded its water recycling systems with advanced filtration and purification technologies, optimised processes through green chemistry and continuously improved equipment efficiency to conserve water. Neuland initiated a waterbody rejuvenation project during the year to offset nearly 50% of FY 2025-26 water consumption. The Company is further supporting its Net Zero ambitions by investing in carbon offset initiatives, afforestation and reforestation projects and exploring carbon capture and storage technologies. Neuland has established clear interim targets, along with robust monitoring and reporting mechanisms, to make meaningful progress toward its environmental and sustainability goals by 2035. Neuland has also established a comprehensive sustainability agenda that includes reducing hazardous and non-hazardous waste, minimising emissions and conserving water. The Company has set targets to reduce hazardous waste by 100% and non-hazardous waste by 50% through green chemistry principles, improved waste segregation and recycling, waste-to-energy initiatives, and lean manufacturing practices. Neuland has installed advanced scrubbers and filtration systems, maintains emission-control equipment and uses safer, non-toxic chemicals to reduce environmental impact. The Company has implemented Zero Liquid Discharge (ZLD) technology, recovering and reusing approximately 90% of wastewater, while the remaining wastewater is treated and managed in an environmentally responsible manner.

Please refer to page number 134 of the Narrative section for further detailed information

INTERNAL CONTROL AND AUDIT

The Company has established robust internal control systems that are appropriately aligned with the size, complexity and nature of its operations. These systems ensure strict compliance with applicable regulations, safeguard assets from unauthorised use, help prevent fraud, protect sensitive information and support accurate and reliable financial reporting. Clearly-defined approval limits govern contracts and expenditures, while well-structured processes facilitate effective business planning and enable periodic performance reviews. As of March 31, 2026, the management conducted a comprehensive evaluation of the Company’s internal financial controls and the Audit Committee confirmed that these controls were adequate and operating effectively in accordance with the requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (SEBI) Listing Regulations. The statutory auditors, MSKA & Associates, audited the financial statements and issued an attestation report on the internal financial controls. In addition, Ernst & Young LLP conducted internal audits of the Company’s key operational areas. The specialised third-party professionals also periodically assess critical compliance areas to ensure adherence to established standards. The Audit Committee carefully reviews all audit observations, recommends corrective actions wherever necessary and regularly updates the Board of Directors, thereby strengthening the Company’s overall governance framework.

CAUTIONARY STATEMENT

This document contains forward-looking statements regarding expected future events and financial and operating results of Neuland Laboratories Limited. As these statements rely on assumptions, they are inherently subject to risks and uncertainties. There is a significant risk that these assumptions and predictions may prove inaccurate. Readers are cautioned against placing undue reliance on forward-looking statements, as various factors could cause actual future results and events to differ materially from those expressed in these statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors outlined in the Management’s Discussion and Analysis of Neuland Laboratories Limited Annual Report for FY 2025-26.



Directors’ Report

The Board of Directors are pleased to present the Company’s Forty Second Annual Report (third Integrated Annual Report) and the Company’s audited financial statements (standalone and consolidated) for the financial year ended March 31, 2026.

FINANCIAL PERFORMANCE

The Company’s financial performance (standalone) for the year ended March 31, 2026, is summarised below:

(₹ in lakhs)		
Particulars	2025-26	2024-25
Total Income	2,05,314.93	1,49,734.59
Profit before Finance Costs, Depreciation, Amortisation and Tax	60,340.90	34,280.75
Finance costs	2,394.54	829.59
Profit before Depreciation, Amortisation and Tax	57,946.36	33,451.16
Less: Depreciation & Amortisation	9,173.05	6,554.19
Profit before exceptional items and tax	48,773.31	26,896.97
Exceptional item	-	7,640.36
Profit before tax	48,773.31	34,537.33
Less: Current tax	12,888.35	7365.30
Deferred tax	(425.54)	1229.49
Profit after Tax	36,310.50	25,942.54
Add / (Less): Other comprehensive income	35.16	(21.19)
Total comprehensive income for the year	36,345.66	25,921.35

For the financial year ended March 31, 2026, the Company reported a Total Income of ₹ 2,05,314.93 lakhs as against ₹ 1,49,734.59 lakhs in the previous year.

For the year ended on March 31, 2026, the Company reported Earnings Before Interest, Finance Cost, Depreciation and Amortisation and Tax (EBIDTA) of ₹ 60,340.90 lakhs, as against EBIDTA of ₹ 34,280.75 lakhs during the previous year.

The Net Profit of the Company for the year ended March 31, 2026 was ₹ 36,310.50 lakhs compared to ₹ 25,942.54 lakhs during the previous year.

BUSINESS REVIEW

During the year under review, your Company has made significant strides in creating a strong base for the future. The Company’s CMS business showed robust growth on the back of the commercial molecules even as the seeds for long-term growth were laid through new projects. The momentum in the business is seen in the decision to move to a new R&D facility ensuring attractiveness to the full range of potential clients. The other key capital expenditure project driving long-term growth is the Peptides block

where progress is being made in accordance with the plan. While the GDS business has seen a dip this year due to the performance of a few key products, the Company has undertaken actions to make the business a reliable source of sustainable long-term growth. The planned strengthening of the Project Management function has given the Company better visibility on planning and execution of CMS projects. During the course of the year, the Company has put into effect its plan to create a better structure for accountability as well as creating management bandwidth for crucial long-term planning.

During FY 2025-26, the Company further strengthened its commitment to robust governance, sustainability and environmental stewardship through continued focus on Enterprise Risk Management (ERM) and the Environmental, Social and Governance (ESG) agenda under the oversight of the Risk and Sustainability Committee of the Board. During the year, the Company sharpened its ESG governance and execution through structured reviews and cross-functional ownership of key initiatives, including progress on climate-related disclosures and resilience planning. The Company also continued to improve its performance as assessed by external sustainability rating agencies. In parallel, capability

building remained aligned to strategic priorities and anticipated business needs, with increasing emphasis on strengthening people capabilities, deepening the leadership and talent pipeline, and building organisational capacity for long-term growth.

DIVIDEND

Your directors are pleased to recommend a final dividend of ₹ 34/- (340%) per equity share of face value of ₹ 10/- each of the Company, for the financial year ended March 31, 2026. The final dividend, if approved at the 42nd Annual General Meeting, will be paid to members within the period stipulated under the Companies Act, 2013 (‘the Act’), as amended from time to time. The outflow on account of final dividend is estimated to be ₹ 4,362.16 lakhs.

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the dividend distribution policy, is available on the Company’s website at - <https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/dividend-distribution-policy.pdf>

SHARE CAPITAL

The equity shares of your Company continue to be listed and traded on the BSE Limited and National Stock Exchange of India Limited. The paid-up equity share capital of the Company as on March 31, 2026 was ₹ 1,290.05 lakhs. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

OUTLOOK

The Company is continuing to evolve at a sustainable pace to ensure long-term growth and deliver through execution of the significant business that has been built over the years. Even as the current environment seems uncertain, the Company’s planning and execution should ensure that the long-term objectives are met consistently even as newer avenues are explored. The Company is actively working on plans to broaden the customer base by engaging with Big Pharma, based on the investment in enhanced capabilities. With a sharper focus on quality, reliability, sustainability and execution excellence across the value chain, the Company aims to create long-term value for all stakeholders and

strengthen its position as a preferred partner enabling a healthier world.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements of your Company as on March 31, 2026, which forms part of the Integrated Annual Report, have been prepared pursuant to the provisions of the SEBI Listing Regulations as amended from time to time, and also in accordance with the applicable Indian Accounting Standard (IndAS) on Consolidated Financial Statements (IndAS-110) as notified by the Ministry of Corporate Affairs.

The annual accounts of the subsidiary companies are kept for inspection by any member at the Registered Office of the Company as well as at the Registered Office of the respective subsidiary companies and also available on the website of the Company, <https://www.neulandlabs.com/en/investors/financials-and-reports/subsidiary-financials>. Any member interested in a copy of the accounts of the subsidiaries may write to the Company Secretary at the Registered Office of the Company.

SUBSIDIARIES

Your Company has two subsidiaries, Neuland Laboratories K.K., Japan, and Neuland Laboratories Inc., USA, working on market development. Your Company does not have any joint venture or associate companies. Further, there has been no material change in the nature of business of the subsidiaries.

A report on the performance and financial position of the subsidiaries, set out in the prescribed form AOC-1, in terms of the proviso to sub-section (3) of Section 129 of the Act, as amended from time to time, is provided as Annexure to the consolidated financial statements and hence not repeated here.

CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND SEBI LISTING REGULATIONS

As per the Act and the SEBI Listing Regulations, as amended from time to time, Corporate Governance Report and Management Discussion and Analysis report are attached and forms part of this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

During the year, the members of the Company vide their Postal Ballot resolution dated September 26, 2025, approved the appointment of Dr. Ravi Gopinath as Independent Director of the Company, with effect from August 1, 2025. The Board opined that the above Independent Director possessed requisite experience and expertise (including the proficiency). Further, the Board at its meeting held on May 12, 2026, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Dr. Mauricio Futran (DIN: 11699767) as an Additional Director of the Company in the category of Non-Executive Non-Independent Director, with effect from May 12, 2026, subject to approval of the Members at the ensuing Annual General Meeting.

Cessation

Dr. Christopher M Cimarusti, Non-Executive Non-Independent Director (DIN: 02872948), ceased to be a Director of the Company with effect from February 28, 2026, on account of his sad demise.

The Board places on record its profound sorrow on the demise of Dr. Christopher M Cimarusti, who served the Company with distinction as a Non-Executive Non-Independent Director since 2009 and as a member of its Scientific Advisory Board. The Board, management, and the employees, especially those in the Research & Development, deeply valued his outstanding scientific leadership, insight, mentorship, and unwavering commitment to innovation. Dr. Cimarusti’s contributions to advancing the Company’s scientific capabilities and strengthening its culture of research excellence have left an enduring legacy that will continue to inspire the organization.

Appointment of Directors

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, have approved the following, subject to the approval of the members sought in the Notice of the Forty-Second Annual General Meeting:

- Appointment of Dr. Mauricio Futran (DIN: 11699767) as a Director of the Company, categorized as Non-Executive Non-Independent Director.

Retirement by Rotation

Pursuant to the provisions of Section 152(6)(d) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and the Articles of Association of the

Company, Dr. Davuluri Rama Mohan Rao (DIN: 00107737) will retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. The Board recommends his re-appointment in the ensuing AGM of the Company.

Change in designation of Whole-time Directors

During the year, the members of the Company vide Postal Ballot resolutions dated November 5, 2025, approved the a) re-designation of Mr. Davuluri Sucheth Rao (DIN: 00108880) as Executive Vice Chairman; and 2) re-designation of Mr. Davuluri Saharsh Rao (DIN: 02753145) as Chief Executive Officer & Managing Director, effective from April 1, 2026.

Changes in Key Managerial Personnel (KMP)

During the year under review, there were no changes to the Key Managerial Personnel of the Company. As on the date of this report, the Company has the following Key Managerial Personnel as per Sections 2(51) and 203 of the Act:

Sl. No.	Name of KMP	Designation
1	Dr.Davuluri Rama Mohan Rao	Executive Chairman
2	Mr. Davuluri Sucheth Rao	Executive Vice Chairman
3	Mr. Davuluri Saharsh Rao	Chief Executive Officer & Managing Director
4	Mr. Abhijit Majumdar	Chief Financial Officer
5	Ms. Sarada Bhamidipati	Company Secretary & Compliance Officer

Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited and National Stock Exchange of India Limited. The Annual Listing fee for the year 2026-27 has been paid to both the stock exchanges.

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, as amended from time to time, your directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them:

- a. in the preparation of the annual financial statements for the year ended March 31, 2026, the applicable accounting standards have been followed, along with proper explanation relating to material departures, if any;

- b. such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit of the Company for the year ended on that date;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, as amended from time to time, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual financial statements have been prepared on a going concern basis;
- e. proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f. systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

BOARD MEETINGS

During the year under review, nine Board Meetings were convened and held, the details of which are given in the Corporate Governance Report, which forms part of this report. The intervening gap between the meetings was within the period prescribed under the Act, and the SEBI Listing Regulations, as amended from time to time.

COMPOSITION OF VARIOUS COMMITTEES

Details of various committees constituted by the Board as per the provisions of the Act and the SEBI Listing Regulations, as amended from time to time, and their meetings are given in the Corporate Governance Report, which forms part of this report.

BOARD EVALUATION

Pursuant to the provisions of the Act and SEBI Listing Regulations, the annual evaluation of the performance of the Board, its Committees and of individual directors has

been carried out by the Board. The process was carried out by circulating questionnaires on the Board and Committees functioning on certain parameters. The performance evaluation of the Independent Directors was carried out by the entire Board, except for the director being evaluated. The performance evaluation of the non-Independent Directors, including Executive Directors, was carried out by the Independent Directors.

INDEPENDENT DIRECTORS

The Independent Directors met on February 10, 2026, without the presence of non-Independent Directors and members of the management. The Independent Directors, inter alia, discussed matters pertaining to the Company’s affairs and reviewed the performance of non-Independent Directors, the Chairman and the Board as a whole, and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the SEBI Listing Regulations, as amended from time to time. All the Independent Directors are registered with the Independent Director’s databank and requisite disclosures have been received from them in this regard. Further, they have affirmed compliance with the code of conduct for Independent Directors as prescribed in Schedule IV of the Act. The terms and conditions of appointment of Independent Directors is available on the website of the Company.

DISCLOSURES BY DIRECTORS

None of the directors of your Company is disqualified as per the provisions of Section 164(2) of the Act. Your directors have made necessary disclosures to this effect as required under the Act.

AUDIT COMMITTEE

During the year under review, four Audit Committee Meetings were convened and held. The details of the committee meetings and composition of the Audit Committee, and its terms of reference are included in the Report on Corporate

Governance annexed. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Policy of the Company includes Board Diversity as part of the policy and is available on the website of the Company at <https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/NominationandRemuerationPolicy22042025.pdf>. The policy covers selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act and the SEBI Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY

The Company has in place a Corporate Social Responsibility Policy which is available on the website of the Company at <https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/corporate-social-responsibility-csr-policy.pdf>. The CSR expenditure of the Company for FY 2025-26 as per Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time, was ₹ 608.99 lakhs. After setting-off ₹ 33.52 lakhs from the excess CSR expenditure spent for FY 2024-25 the Company's total CSR obligation for FY 2025-26 was ₹ 575.47 lakhs.

The Company has spent an amount of ₹ 561.64 lakhs towards CSR projects and administrative overheads for FY 2025-26. In addition, an amount of ₹ 13.83 lakhs was transferred to the Unspent account, in April 2026, towards identified and ongoing CSR projects for FY 2025-26, due for completion in FY 2026-27.

The total CSR expenditure for FY 2025-26 was ₹ 608.99 lakhs, which includes CSR projects spend, administrative expenditure, and amount transferred to the Unspent CSR account.

The annual report on CSR activities, as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Section 134(3) and 135(2) of the Act, has been appended as Annexure-1 and forms an integral part of this Report.

INTEGRATED REPORT

The Company continues its integrated reporting journey in the current financial year. This is the third year of the publication of the Integrated Annual Report of the Company in line with the Integrated Reporting Framework, now part of the IFRS Foundation.

The Global Reporting Initiative disclosures reported in this Integrated Annual Report have been subject to limited assurance. The Assurance Report issued by BDO India Services Private Limited has been annexed to this Integrated Annual Report.

The Integrated Annual Report consists of both financial and non-financial information to demonstrate how various 'capitals' are utilised to create value, thereby enabling stakeholders to make informed decisions and gain a comprehensive understanding of the Company's long-term perspective and value creation for all stakeholders.

The Board acknowledges its responsibility for the integrity of the report and the information contained therein.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In accordance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report (BRSR), forms part of this report as Annexure-2.

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The directors and members of senior management have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel of the Company. A declaration to this effect by the Chief Executive Officer & Managing Director, forms part of this Report.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Your Company has a Vigil Mechanism/Whistle Blower Policy which serves as a mechanism for its directors, employees and stakeholders to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal. Audit Committee of the Company oversees the implementation of the Whistle Blower Policy. During the year, the Company has not received any protected disclosures. The Whistle Blower Policy is available on the website of the Company, at <https://www.neulandlabs.com/en/investors/corporate-governance/policies-and-documents>. A brief note on the Whistle Blower Policy is also provided in the Report on Corporate Governance, which forms part of this Report.

PROHIBITION OF INSIDER TRADING

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives along with the Code of Fair Disclosures. Periodically, insider trading awareness sessions are conducted for the benefit of designated persons. Trading window closures, when the designated persons are not permitted to trade in the securities of the Company, are intimated in advance to all concerned.

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

The Company is committed to ensure that there is no scope for sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has not received any complaints on sexual harassment during the year under review and as on the date of this report.

EMPLOYEE STOCK OPTION SCHEME

As on March 31, 2026, there are no employee stock options available in the Company, and hence, no disclosures are required to be made under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

STATUTORY AUDITORS

M/s. M S K A & Associates LLP (Formerly known as M S K A & Associates), (Firm Registration No: 105047W/W101187), Chartered Accountants, were re-appointed as the Statutory Auditors of the Company at the 40th AGM of the Company held on July 31, 2024, to hold the office till the conclusion of the 45th AGM to be held in the year 2029.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s. M S K A & Associates LLP (Formerly known as M S K A & Associates), Statutory Auditors, in their report for the financial year ended March 31, 2026.

Pursuant to the provisions of Section 143(12) of the Act, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

SECRETARIAL AUDIT

M/s. P.S. Rao & Associates, a firm of Company Secretaries in Practice, were appointed as the Secretarial Auditors of the Company at the 41st AGM of the Company held on July 30, 2025, for a term of five consecutive financial years commencing from April 1, 2025, till March 31, 2030.

The report of the Secretarial Audit for the financial year ended March 31, 2026, is annexed to the Corporate Governance Report and forms part of this report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in their report.

COST AUDITORS

In terms of Section 148(1) of the Act, read with the relevant Rules made thereunder, the Company maintains the cost records in respect of its pharmaceuticals business.

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, as amended from time to time, subject to the approval of the Central Government, if required, the Audit Committee has recommended, and the Board of Directors has appointed M/s. Nageswara Rao & Co. (Registration No. 000332), Cost Accountants, Hyderabad, being eligible and having sought re-appointment, as Cost Auditors of the Company, to carry out the cost audit of the products manufactured by the Company during the FY 2026-27.

REPORTING OF FRAUD

During the year, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers and employees under Section 143(12) of the Act, details of which need to be mentioned in this Report.

INSURANCE

Your Company has taken necessary steps to mitigate risks and obtained appropriate insurances, and the Board is kept apprised of the risk assessment and minimisation procedures. The assets of the Company have been adequately covered under insurance. The policy values have been determined taking into consideration the value of the assets of the Company.

MATERIAL CHANGES

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended from time to time, is annexed herewith as Annexure-3.

ANNUAL RETURN

Pursuant to Section 92 and Section 134 of the Act, the Annual Return as on March 31, 2026, in form MGT-7 is available on the website of the Company at www.neulandlabs.com.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information relating to remuneration and other details as required pursuant to Section 197 of the Act read with

Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is provided as Annexure-4 to this report.

In terms of the provisions of Section 197 of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is provided in the Annual Report, which forms part of this Report.

Pursuant to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report is being sent to the members and other persons entitled thereto, excluding the information in respect of employees of the Company containing the particulars as specified in Rule 5(2) of the said Rules. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary, and the same will be furnished on request.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions with the related parties during the financial year were in the ordinary course of business and at an arm's length basis.

During the year, the Company has not entered into any contract or arrangement with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Further, there were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at <https://www.neulandlabs.com/en/investors/corporate-governance/policies-and-documents>.

The particulars of transactions with related parties in the prescribed format is annexed to this report, as Annexure-5. Members may refer to Note No. 38 to the standalone financial statements which sets out related party disclosures pursuant to Ind AS.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company has not given any loans and guarantees under Section 186 of the Act, and the investments made by the Company are in compliance with the provisions of Section 186 of the Act.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public and, as such, no amount of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

TRANSFER TO RESERVES

No amount was proposed to be transferred to the general reserve during the FY 2025-26.

RISK MANAGEMENT

The Risk & Sustainability Committee of the Board oversees the Company's processes for determining risk tolerance and reviews management's actions and comparison of overall risk tolerance to established levels. The Company has in place a Risk Management Policy, which outlines the risk management process and framework for the identification and management of risks. The framework is designed to enable risks, to be identified, assessed and mitigated appropriately. There are no risks which in the opinion of the Board, threaten the existence of the Company. Major risks identified by the businesses and functions are systematically addressed through appropriate actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which forms part of this Report.

INTERNAL FINANCIAL CONTROLS

Internal Financial Controls are an integral part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been embedded and documented in the business processes. The controls in place include essential components of internal financial controls required under the Act, and also the internal financial controls over financial reporting as per the Guidance Note on Audit of Internal Controls over Financial Reporting as issued by the Institute of Chartered Accountants of India.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, continuous monitoring by functional owners, as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

The Company has in place adequate internal financial controls with reference to the financial statements. During the year under review such controls were tested and no reportable material weakness in the design or operation were observed.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

Your Company's relations with its employees continue to be cordial. Dedicated work by the workmen, supervisors, and executives of your Company made it possible to achieve success under trying and difficult circumstances.

BOARD RESPONSIBILITY STATEMENT

The data and disclosures in the Report have been reviewed internally by the management to ensure completeness and relevance. The Board believes that this Report is a fair representation of the Company's financial, non-financial, sustainability, and operational performance and addresses all material topics relevant to the Company for FY 2025-26. The Board notes that the contents of this Report have been prepared by the respective functions and businesses under the guidance of the senior management.

OTHER DISCLOSURES

During the year under review:

- a. No credit rating has been obtained by the Company with respect to its securities. Further, the details of the credit rating obtained by the Company with respect to its long-term and short-term borrowings have been provided in the Corporate Governance Report, which forms part of this report.
- b. No application has been made under the Insolvency and Bankruptcy Code, 2016 (IBC). Further, there are no proceedings admitted against the Company under the IBC.
- c. The Company is in compliance with the Maternity Benefit Act, 1961.
- d. During the year, there was no one-time settlement done with the Banks or Financial Institutions.

- e. Disclosures included in the the Corporate Governance report & Business Responsibility and Sustainability Report of this report are not included in the Boards Report.

ACKNOWLEDGEMENT

Your Board of Directors take this opportunity to thank all its stakeholders, including banks, financial institutions, business partners, government and other statutory bodies, regulatory authorities, analysts and members for their continued support and valuable cooperation. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company’s employees at all levels.

For and on behalf of the Board

Dr. Davuluri Rama Mohan Rao
Executive Chairman
(DIN: 00107737)

Place: Hyderabad
Date: May 12, 2026

Annexure - 1

Annual Report on CSR Activities

1. BRIEF OUTLINE OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Company’s CSR Policy is in alignment with the guidelines provided by the Ministry of Corporate Affairs. It provides for carrying out CSR activities in accordance with the activities specified under the Companies Act, 2013 ('the Act') and any amendments thereto. The Policy is available on the website of the Company at <https://www.neulandlabs.com/en/investors/corporate-governance/policies-and-documents>.

2. THE COMPOSITION OF CSR COMMITTEE OF THE BOARD:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Prasad Raghava Menon ¹	Non-Executive Independent Director, Chairperson of Committee	2	2
2	Dr. Davuluri Rama Mohan Rao	Executive Chairman, member of Committee	2	2
3	Mr. Davuluri Sucheth Rao	Executive Vice Chairman, member of Committee	2	2
4	Mr. Davuluri Saharsh Rao	Chief Executive Officer & Managing Director, member Committee	2	2
5	Ms. Pallavi Bakhru ²	Non-Executive Independent Director, member of Committee	2	2

¹Appointed as Chairperson of the Committee with effect from May 8, 2025

²Appointed as member of the Committee with effect from April 1, 2025

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

Ans: The web-links are as follows:

- Composition of CSR Committee:
<https://www.neulandlabs.com/en/investors/corporate-governance/committees-board>
- CSR Policy:
<https://www.neulandlabs.com/en/investors/corporate-governance/policies-and-documents>
- CSR Projects:
https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/sustainability/supporting-community/4-6-2026/CSR_AnnualActionPlanFY27.pdf

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE: Not Applicable

			(₹ in lakhs)
5.	Sl. No.	Particulars	Amount
	a.	Average net profit of the Company as per sub-section (5) of section 135 of the Act	30,449.70
	b.	Two percent of average net profit of the Company as per section 135(5)	608.99
	c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0.00
	d.	Amount required to be set off for the financial year, if any	33.52
	e.	Total CSR obligation for the financial year (5b+5c-5d)	575.47

			(₹ in lakhs)
6.	Sl. No.	Particulars	Amount
	a.	Amount spent on CSR Projects - Including actual spent (₹ 531.19 lakhs) and amount transferred to unspent CSR account for ongoing projects (₹ 13.83 lakhs) (both Ongoing Project and other than Ongoing Project):	578.54*
	b.	Amount spent in Administrative Overheads	30.45
	c.	Amount spent on Impact Assessment, if applicable	0.00
	d.	Total amount spent for the Financial Year [(a)+(b)+(c)]	608.99

* The amount spent on CSR activities for the financial year includes the set-off of the excess amount spent by the Company on CSR activities in the previous financial years of ₹ 33.52 lakhs

e. CSR amount spent or unspent for the Financial Year:

						(₹ in lakhs)
Total Amount Spent for the Financial Year. (in ₹ lakhs)		Amount Unspent				
		Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
		Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
595.16*		13.83	27-04-2026		NIL	

* The amount spent on CSR activities for the financial year includes the set-off of the excess amount spent by the Company on CSR activities in the previous financial year of ₹ 33.52 lakhs

f. Excess amount for set off, if any:

			(₹ in lakhs)
S.No.	Particulars	Amount	
i.	Two percent of average net profit of the Company as per section 135(5)	608.99	
ii.	Total amount spent (including amount to be spent towards ongoing projects) for the Financial Year	608.99*	
iii.	Excess amount spent for the financial year [(ii)-(i)]	-	
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-	
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	-	

* Includes amount of ₹ 13.83 lakhs transferred to CSR Unspent account for FY 2025-26 towards ongoing projects.

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 of the Act (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 of the Act	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 of the Act, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2024-25	98,19,257.00	0	98,19,257.00	-	-	-	-

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR: NO

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR Amount spent	Details of Company/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5): Not Applicable

Mr. Davuluri Saharsh Rao
CEO & MD

Mr. Prasad Menon
Chairperson of Corporate Social Responsibility Committee

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

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PRINCIPLE 1:
BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE



PRINCIPLE 4:
BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS



PRINCIPLE 7:
BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT



PRINCIPLE 2:
BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE



PRINCIPLE 5:
BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS



PRINCIPLE 8:
BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT



PRINCIPLE 3:
BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS



PRINCIPLE 6:
BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT



PRINCIPLE 9:
BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

SECTION A: GENERAL DISCLOSURES

I. Details of the Entity

1.	Corporate Identity Number (CIN) of the Company	L85195TG1984PLC004393
2.	Name of the Company	Neuland Laboratories Limited
3.	Year of Incorporation	07/01/1984
4.	Registered office address	11 th Floor (5 th Level), Phoenix IVY Building, Plot No. 573A-III, Road No. 82, Jubilee Hills, Hyderabad, 500033, Telangana
5.	Corporate office address	11 th Floor (5 th Level), Phoenix IVY Building, Plot No. 573A-III, Road No. 82, Jubilee Hills, Hyderabad, 500033, Telangana
6.	E-mail id	ir@neulandlabs.com
7.	Telephone	+91 40 67611600 / 700
8.	Website	www.neulandlabs.com
9.	Financial year for which reporting is being done	April 1, 2025, to March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed	a. BSE Limited b. National Stock Exchange of India Limited
11.	Paid-up capital	₹12,82,98,890/-
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Ms. Sarada Bhamidipati Company Secretary & Compliance Officer Tel: +91 40-6761 1600 Email: saradab@neulandlabs.com
13.	Reporting boundary	Standalone basis
14.	Name of assessment or assurance provider	BDO India Services Private Limited
15.	Type of assessment or assurance obtained	Reasonable Assurance for BRSR Core Indicators.

II. Products/services

16. Details of business activities

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1	Manufacturing of Active Pharmaceutical Ingredients	Manufacturing of Active Pharmaceutical Ingredients	100%

17. Products/services sold by the entity

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Development, manufacturing & sale of Active Pharmaceutical Ingredients & Custom Manufacturing Solutions	21001	100.00%

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	4*	1	5
International	0	2	2

*The R&D Unit of the Company is included under Number of plants. The Company entered into a lease arrangement for a new R&D location during the FY 2025-26. The facility had not commenced during the reporting period and therefore the site has not been included within the operational reporting boundary.

19. Markets served by the entity

a. *Number of locations – This refers to locations where goods were transported to during the financial year, however the consumption of final product & even customer footprint is larger.*

Locations	Number
National (No. of states)	11
International (No. of countries)	59

b. *What is the contribution of exports as a percentage of the total turnover of the entity?*

The company has a global presence with exports accounting for approximately 76% of its revenue.

c. *A brief on types of customers*

Neuland serves a diversified global customer base across its core business verticals: Generic Drug Substances (GDS), Custom Manufacturing Solutions (CMS), and peptide APIs. The Company caters to pharmaceutical and biotechnology companies across regulated and semi-regulated markets in over 80 countries, including the United States, Europe, Japan, and Latin America.

Generic Drug Substances (GDS):

The GDS business primarily serves generic pharmaceutical companies seeking high-quality, regulatory-compliant Active Pharmaceutical Ingredients (APIs). Its customers include large multinational generic companies, regional and domestic pharmaceutical manufacturers, distributors, and companies involved in dossier development and niche product filings.

Custom Manufacturing Solutions (CMS):

The CMS business caters to innovator pharmaceutical and biotechnology companies requiring end-to-end API development and manufacturing support. Customers range from emerging biotech firms and mid-sized innovators to large global pharmaceutical companies. Neuland supports these customers across the product lifecycle, from pre-clinical and clinical development to commercial manufacturing and regulatory support.

Peptide API Customers:

Neuland also serves customers requiring peptide synthesis and manufacturing solutions, including companies involved in advanced therapeutics and specialty pharmaceutical products. The Company supports peptide development for clinical and commercial requirements through its expanding peptide manufacturing capabilities.

IV. Employees

20. Details as of March 31, 2026

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)	2097	1837	87.60%	260	12.40%
2.	Other than permanent (E)	374	367	98.13%	7	1.87%
3.	Total employees (D + E)	2471	2204	89.19%	267	10.81%
WORKERS						
1.	Permanent (F)	86	86	100.00%	0	0.00%
2.	Other than permanent (G)	1324	1234	93.20%	90	6.80%
3.	Total workers (F + G)	1410	1320	93.62%	90	6.38%

b. *Differently abled employees*

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100%	0	0%
2.	Other than permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	1	1	100%	0	0%
DIFFERENTLY ABLED WORKERS						
1.	Permanent (F)	0	0	0%	0	0%
2.	Other than permanent (G)	0	0	0%	0	0%
3.	Total differently abled workers (F + G)	0	0	0%	0	0%

21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.50%
Key Management Personnel (other than BoD)	2	1	50.00%

22. Turnover rate for permanent employees

	FY 2025-26 (%)			FY 2024-25 (%)			FY 2023-24 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.40	16.10	14.30	15.69	25.26	16.81	18.41	18.45	18.42
Permanent Workers	0	0	0	0	0	0	0	0	0

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	Neuland Laboratories Inc., USA	Subsidiary	100%	Yes
2	Neuland Laboratories K.K., Japan	Subsidiary	100%	Yes

VI. CSR Details

24. (i)	Whether CSR is applicable as per section 135 of Companies Act, 2013	:	Yes
(ii)	Turnover	:	₹ 2,02,299 Lakhs
(iii)	Net worth	:	₹ 1,86,498 Lakhs
(iv)	Total amount spent on CSR for FY 2025-26	:	₹ 609 Lakhs

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 (NGRBC)

The Company's key stakeholders include investors, customers, employees, value chain partners/ suppliers and community besides governments/regulatory authorities.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		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 We actively participate in the periodical meetings with the villagers and local communities in the presence of Village Sarpanch and other Government agencies to address community related grievances of all locations	0	0	-	0	0	-
Investors (other than shareholders)	https://www.neulandlabs.com/en/investors/investor-services/investor-contacts	0	0	-	0	0	-
Shareholders	https://www.neulandlabs.com/en/investors/investor-services/investor-contacts	4	0	-	3	0	-
Employees and workers	Yes. Grievance Redressal policy is available for both employees and workmen in our intranet portal. Notice board displays are available for workmen	2	0	-	8*	0	-
Customers	Yes, the customers raise their grievances through various channels of communication such as e-mail, phone calls, in-person meetings, periodic customer surveys, etc.	0	0	-	0	0	-
Value Chain Partners	Yes, the grievance redressal mechanism for value chain partners is through a dedicated email ID for suppliers available at https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/sustainability/sustainable-supply-chain/supplier-code-of-conduct.pdf	0	0	-	0	0	-

* Excluding employee queries and requests.

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, as per the following format:

Material topic identification was conducted through a survey with key stakeholders identified. Board members, Investors/Analysts, Employees, Customers, Bankers, and Suppliers have participated in the survey. The material topics are suitably incorporated in the Environment, Social and Governance (ESG) Strategy of the Company.

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	Sustainable Supply Chain Management	Risk & Opportunity	Dependence on global suppliers for key raw materials, intermediates, and logistics disruptions can impact production continuity.	Supplier diversification, vendor audits, inventory planning, strengthening supplier ESG compliance and digital supply chain visibility.	Negative
2	Human Capital Management	Opportunity	Highly skilled workforce critical for complex API manufacturing, R&D, and regulatory compliance.	Structured learning & development programs, leadership pipeline, succession planning, employee engagement and retention strategies.	Positive
3	Enterprise Risk Management, Emergency Preparedness & Business Continuity	Risk	Exposure to operational disruptions (pandemics, geopolitical risks, plant shutdowns).	Business continuity planning, emergency response systems, periodic drills, risk monitoring frameworks.	Negative
4	Product Quality & Regulatory Compliance	Risk	Stringent global regulatory requirements (USFDA, EMA) directly impact market access and reputation.	Robust Quality Management Systems (QMS), audits, training, compliance monitoring, continuous improvement.	Negative
5	GHG Emissions and Climate Change	Risk	Increasing regulatory and investor focus on carbon footprint and decarbonization. Exposure to extreme weather events affecting operations, infrastructure, and supply chains.	Energy efficiency initiatives, renewable energy adoption, emissions monitoring and reduction targets. Climate risk assessment, resilient infrastructure, diversification of sites and suppliers.	Negative
6	Green Chemistry & Sustainable Manufacturing	Opportunity	Shift toward sustainable pharma manufacturing and reduced environmental footprint.	Process optimization, solvent recovery, reduced hazardous inputs, adoption of green chemistry principles.	Positive
7	Water Stewardship	Risk & Opportunity	High water dependency in API manufacturing; increasing regulatory and community scrutiny.	Water conservation, recycling, ZLD systems, rainwater harvesting, water stewardship initiatives.	Negative
8	Energy Management	Risk & Opportunity	Energy-intensive operations leading to high costs and emissions.	Energy efficiency programs, process optimization, renewable energy integration.	Negative
9	Information & Cyber Security	Risk	Increased digitalization exposes the Company to cyber threats and data breaches.	Strong IT governance, cybersecurity frameworks, regular audits, employee awareness training.	Negative

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	Waste & Effluent Management	Risk	Generation of hazardous waste and effluents requires strict regulatory compliance.	Zero Waste to Landfill initiatives, co-processing, advanced effluent treatment systems, compliance monitoring.	Negative
11	Digitalisation & AI Adoption	Opportunity	Enhances operational efficiency, predictive analytics, and process optimization.	Investment in digital tools, automation, AI-driven analytics in manufacturing and supply chain.	Positive
12	Occupational health and Safety, Workforce Wellbeing & Mental Health	Opportunity	Employee well-being directly impacts productivity, retention, and safety performance.	Wellness programs, counselling support, health monitoring, safe and inclusive work environment.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
POLICY AND MANAGEMENT PROCESS									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	The statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.								
c. Web Link of the Policies, if available.	P1: - Code of Ethical Conduct: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/career/our-people/code-of-ethical-conduct.pdf - Code of Conduct for the Board Members and Senior Management Personnel: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/Codeof%20ConductfortheBoardandSeniorManagement_10.02.2025.pdf - Neuland Code for Fair Disclosures: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/neuland-code-of-fair-disclosures.pdf - Nomination and Remuneration Policy: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/NominationandRemuerationPolicy22042025.pdf - Whistle Blower Policy: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/whistle-blower-policy.pdf P2: - Environment, Health, Safety and Sustainability (EHS&S) Policy: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/sustainability/climate-and-environment/ehss-policy-english.pdf - Quality Policy – Available on intranet P3: - Environment, Health, Safety and Sustainability (EHS&S) Policy: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/sustainability/climate-and-environment/ehss-policy-english.pdf - Prevention of Sexual Harassment (PoSH) Policy - Available on intranet								

	P4: - Supplier Code of Conduct: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/sustainability/sustainable-supply-chain/supplier-code-of-conduct.pdf - Corporate Social Responsibility (CSR) Policy: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/corporate-social-responsibility-csr-policy.pdf P5: - Human Rights Commitment: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/career/our-people/human-rights.pdf P6: - Environment, Health, Safety and Sustainability (EHS&S) Policy: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/sustainability/climate-and-environment/ehss-policy-english.pdf P7: - Position on Policy Advocacy: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/sustainability/esg-supplementary-book/Neuland_Policy_Advocacy.pdf P8: - Corporate Social Responsibility (CSR) Policy: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/corporate-social-responsibility-csr-policy.pdf P9: - Privacy Policy: https://www.neulandlabs.com/en/privacy-policy - AI Usage Policy – Available on intranet - Quality Policy - Available on intranet - Business Continuity Management System (BCMS) policy: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/NLL_BCMS_BCM_Policy.pdf									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Each function maintains its own set of procedures, such as those for EHS (Environmental, Health, and Safety), Supplier Management, and Cybersecurity. Board policies, including those concerning CSR (Corporate Social Responsibility), Whistleblower protocols, and Human Rights, are directly overseen through policy monitoring, thus separate procedures are not deemed necessary for these areas.									
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The company has a Supplier Code of Conduct that encompasses business principles and ethics, guidance on employment practices and human rights, environmental health, and safety practices, as well as other business and legal compliance requirements.									
	<table><tr><td>P1</td><td>P2</td><td>P3</td><td>P4</td><td>P5</td><td>P6</td><td>P7</td><td>P8</td><td>P9</td></tr></table>	P1	P2	P3	P4	P5	P6	P7	P8	P9
P1	P2	P3	P4	P5	P6	P7	P8	P9		
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.	- ISO 9001, - ISO 14001:2015, - ISO 27001:2022, - ISO 45001:2018, - British Safety Council (BSC) Occupational Health and Safety and Wellbeing									
5. Specific commitments, goals targets and performance by the entity with defined timelines, if any.										
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Refer to our Integrated Report for the year FY 2025-26 – Section ESG Strategy and progress.									

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 Neuland, our ESG journey remains integral to our identity as a responsible corporate citizen. We are committed to embedding sustainability into our business strategy and fostering a culture of shared responsibility across all levels of the organization. During FY 2025-26, we continued to strengthen our sustainability and governance framework through a range of strategic initiatives aimed at enhancing long-term resilience, transparency, and stakeholder value creation. Our reporting continues to be aligned with globally recognized frameworks, including the GRI Standards and the IFRS Integrated Reporting (<IR>) Framework. A key milestone during the year was our transition towards a Double Materiality approach, enabling a more comprehensive assessment of material sustainability topics, risks, and opportunities. FY 2025-26 also marked the first year of independent assurance for our BRSR Core Indicators, in addition to select GRI disclosures, reinforcing the credibility to the robustness of our reporting practices. We made meaningful progress across several ESG priorities during the year. Notable achievements included the validation of our Science Based Targets initiative (SBTi), advancement of our Green Chemistry initiatives, and continued improvements in environmental performance. We also enhanced our climate-related disclosures, including the development of an Environmental Profit & Loss (EP&L) assessment for the Company. We progressed our digital transformation agenda through initiatives focused on digitalization, cybersecurity, data privacy, and the implementation of an Artificial Intelligence (AI) Policy. We also strengthened our social impact initiatives through SA8000 readiness assessment, water rejuvenation projects, and the launch of a supplier sustainability engagement program in partnership with EcoVadis. A significant milestone during the year was the operationalization of the Neuland Foundation, extending the Company's social impact beyond its traditional CSR initiatives and creating a platform for broader community engagement. While we continue to view ESG as a key driver of long-term value creation, we recognize the challenges associated with operating in a highly regulated industry, where the pace of transformation can be constrained. We also acknowledge the importance of supportive policy frameworks and incentives, particularly in accelerating transitions such as renewable energy adoption. For further details on our ESG performance, initiatives, and progress, we invite stakeholders to refer to our FY 2025-26 Integrated Report.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Davuluri Sucheth Rao (DIN: 00108880), Executive Vice Chairman, is responsible for the implementation and oversight of the Company's Business Responsibility policies. This responsibility is carried out under the guidance and supervision of the Board of Directors and its respective Committees.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, the Risk and Sustainability (R&S) Committee, a sub-committee of the Board, serves as the primary body for guidance and oversight on sustainability and ESG matters. The Committee convenes at regular intervals to deliberate on, and contribute to, the Company's ESG priorities and strategic direction. It also reviews progress against established goals and targets and provides recommendations for continuous improvement. The Business Responsibility and Sustainability Report (BRSR) is presented to the R&S Committee and the Board of Directors for their review and inputs.

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								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically / on a need basis by department heads / director / board committees / board members, wherever applicable.								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.								

11. 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	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes, the Company's policies are periodically reviewed and assessed by the Internal Auditors of the Company within the defined audit scope. In addition, the effectiveness and implementation of these policies are continuously monitored by departmental heads, senior management, Board Committees, and the Board of Directors, in line with their respective roles and responsibilities.								
	Further, the Company has obtained independent third-party assurance for its sustainability performance. During the reporting year, the accuracy and reliability of the data and systems disclosed in its sustainability reporting were assured by an independent external assurance provider. This assurance was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) at a 'Reasonable Assurance' level.								
	Additionally, the Company undertakes relevant third-party assessments and certifications across its business units on a periodic basis to ensure ongoing compliance and continuous improvement.								

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P4	P 5	P 6	P 7	P 8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)						Not Applicable			
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE



PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

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	% of persons in respective category covered by the awareness programmes
Board of directors	12	The Company conducts familiarisation programmes for its Board of Directors and Key Managerial Personnel at regular intervals which covers topics such as ESG parameters and targets, corporate governance practices, Cybersecurity and Artificial Intelligence, Risk Management, Employee well-being, innovation, Code of Conduct and R&D and various other regulatory updates. In addition, frequent updates are shared with all the Board members/KMPs to apprise them of developments in the Company, key regulatory changes, risks, compliances and legal cases	93.51%
Key Managerial Personnel (Other than BoD)	11		100%
Employees other than BOD and KMPs	300	At Neuland, employee capability development is anchored in structured interventions across leadership development, functional capability building, and technical and process excellence including identified sustainability topics. Beginning with a well-structured induction, training programs are designed to strengthen leadership effectiveness, enhance role-specific competencies, and reinforce technical, compliance, safety, and process-related capabilities across the organization. These initiatives, introduced through a structured induction framework and sustained through continuous learning, support regulatory compliance, operational excellence, and the development of a skilled and future-ready workforce aligned with the Company's values and governance standards.	100%
Workers	86	Neuland provides comprehensive training for all employees and workmen, beginning with an induction program. We offer continuous learning opportunities in critical areas like leadership, compliance, safety, and function-specific skills to support their personal and professional development.	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 (₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement					
Compounding Fee					
	Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial Institutions	Brief of the case		Has an appeal been preferred? (Yes/No)
Imprisonment	NIL				
Punishment					

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.

Not Applicable.

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. The Company has established a comprehensive Anti-Bribery, Anti-Corruption, and Anti-Money Laundering (ABAC & AML) Policy, reflecting its strong commitment to conducting business with the highest standards of ethics, integrity, and transparency. The policy is applicable to all stakeholders, including employees, directors, suppliers, agents, consultants, and business partners.

The Company maintains a zero-tolerance approach towards bribery, corruption, and money laundering. It strictly prohibits the offering, giving, soliciting, or acceptance of bribes, facilitation payments, or kickbacks, whether directly or indirectly. Any exchange of gifts, hospitality, or entertainment must be reasonable, transparent, and in compliance with internal guidelines. The use of Company resources for political contributions is prohibited, and charitable donations must align with the Corporate Social Responsibility (CSR) Policy and must not be used as a means of undue influence.

The Company ensures high standards of integrity in all dealings, particularly with government officials, and complies with all applicable laws and regulations. It also undertakes appropriate due diligence when engaging with third parties to ensure alignment with its ABAC & AML principles.

Robust systems are in place to maintain accurate records and ensure transparency in financial and operational reporting. Conflicts of interest are required to be disclosed to the Compliance Officer, who is responsible for overseeing policy implementation and adherence.

To strengthen compliance, the Company conducts regular training and awareness programs and undertakes periodic risk assessments. It provides secure and confidential channels for reporting concerns and encourages stakeholders to report suspected violations in good faith, with assurance of a strict non-retaliation policy.

Any violations of the policy are treated seriously and may result in disciplinary action, termination of employment or business relationships, and/or legal action, as appropriate. All reported concerns are investigated confidentially by the Compliance Officer, who reports to the Chairperson of the Audit Committee. Significant matters may be escalated to the Board of Directors.

Policy Link:

<https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/anti-bribery-and-anti-corruption-abac-anti-money-laundering-aml-policy.pdf>

5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	0	-	0	-
Number of complaints received in relation to issues of conflict of interest of KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	111	136

Note: The above figures have been computed solely for BRSR disclosure purposes. The Company uses Sales as the denominator for calculating Accounts Payable Days for both internal and external reporting. Had the calculation been based on Sales, the Accounts Payable Days would have been 50 days for FY 2025-26 and 64 days for FY 2024-25.

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	18.77%	20.80%
	b. Number of trading houses where purchases are made from	505	80
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	46.21%	69.10%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	-	-
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	-	-

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	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	ESG, Sustainable Procurement	20.51%

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 is committed to maintaining the highest standards of transparency, ethics, and accountability in its governance practices. To this end, it has established a robust Code of Conduct for Board Members and Senior Management and a comprehensive Related Party Transactions Policy.

Any transaction involving a member of the Board—including the Executive Chairman, Executive Vice Chairman and CEO & Managing Director—or their relatives, or entities in which they have a personal or financial interest, is subject to stringent disclosure requirements. Such transactions are reviewed and approved by the Audit Committee and the Board of Directors. Directors with a potential conflict are required to recuse themselves from deliberations and decision-making processes, ensuring objectivity and alignment with the Company's best interests.

In addition, senior management is required to disclose all material financial and commercial transactions in which they may have a personal interest that could potentially conflict with the interests of the Company.

The Company also mandates annual affirmations from all Board members and senior management, confirming compliance with the Code of Conduct and disclosure of any actual or potential conflicts of interest. This process ensures timely identification, review, and mitigation of any such conflicts in a transparent manner.

All Board members and Senior management have affirmed that there were no instances of any actual or potential conflicts of interest in relation to the Company's business, during the financial year.

Policy Links:

- Code of Conduct for Board Members and Senior Management: https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/Codeof%20ConductfortheBoardandSeniorManagement_10.02.2025.pdf
- Related Party Transactions Policy: <https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/RelatedPartyTransactionPolicy25.pdf>



PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators:

1. *Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.*

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	1%	0.34%	Investments were directed towards safety-related equipment and initiatives aimed at strengthening workplace safety, reducing occupational risks, and enhancing employee well-being.
Capex	5%	11.15%	Capital investments were allocated towards projects such as energy-efficient technologies, process optimization, pollution control systems, resource conservation initiatives, and infrastructure upgrades to improve environmental performance and operational sustainability.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) - Yes
b. If yes, what percentage of inputs were sourced sustainably?

9.99 % (by value of the order) of the suppliers are screened through ESG factors

We consider supplier commitment to our Supplier Code of Conduct as the first step towards sustainability. As part of the regulated market, our code emphasizes compliance with all applicable regulations. It prohibits child labour, mandates upholding basic human rights, and requires ethical business practices, such as respecting data privacy, intellectual property rights, fair competition, and ensuring safe operating conditions for all workmen. Our goal is for all suppliers to commit to this code of conduct. Additionally, we encourage our suppliers to obtain valid ISO 9001, ISO 14001, and ISO 45001 certifications.

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.*

The Company has established comprehensive Standard Operating Procedures (SOPs) for the management of hazardous, non-hazardous, and general waste streams, ensuring safe handling, recycling, and environmentally responsible disposal.

(a) Plastics (including packaging) and Other Non-Hazardous Waste:

Non-hazardous waste such as plastics, paper, glass, metals, and empty drums is segregated at source and managed through authorized recyclers and co-processing facilities. The Company has implemented structured recycling programs and invests in resource recovery practices to maximize material reuse. Technologies such as composting, anaerobic digestion, and material recovery are leveraged, where applicable, to extract value from waste streams and support circular economy principles.

(b) E-waste:

The Company follows a structured approach to e-waste management to mitigate environmental and health risks. This includes:

- Dedicated collection mechanisms for obsolete or non-functional electronic equipment
- Engagement with certified e-waste recyclers for safe dismantling and disposal
- Refurbishment and reuse of functional equipment within the organization
- Safe handling and disposal of hazardous constituents such as lead, mercury, and cadmium

- Compliance with applicable e-waste management regulations
- Rigorous vendor selection and due diligence processes
- Employee awareness and training programs
- Maintenance of records for tracking and regulatory reporting

(c) Hazardous Waste:

The Company generates hazardous waste such as evaporation salts, process residues, spent carbon, ETP sludge, insulation waste, mixed solvents, used oil, and used PPE. All hazardous waste is managed in strict compliance with the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

Key practices include:

- Segregation, secure collection, and storage in labeled MS drums or double-layered containers
- Handling by trained personnel to ensure safety and regulatory compliance
- Detoxification and controlled containment processes
- Environmentally sound disposal through co-processing in cement kilns, where waste is treated at high temperatures (~1450°C), resulting in complete destruction of hazardous components and incorporation of residues into clinker, with no residual waste

(d) Other Waste:

Other waste streams are managed through a combination of recycling, co-processing, and recovery methods in line with regulatory requirements and sustainability goals. Continuous monitoring and process improvements ensure minimization of waste generation and enhancement of recovery efficiencies.

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.*

Extended Producer Responsibility (EPR) is currently not applicable to the Company's core manufacturing activities. However, as part of its commitment to responsible environmental practices, the Company has proactively registered under EPR in its capacity as an importer and has obtained the requisite approvals from the Pollution Control Board (PCB). The Company's waste collection and management plan is fully aligned with the EPR framework and is in accordance with the plan submitted to the PCB.

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 the Product/ Service	% of 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.
NA					

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.*

There are no significant environmental or social concerns identified in our operations. We have procedures and systems in place to effectively mitigate risks, including robust waste management practices and adherence to circular economy principles.

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).*

Not applicable. In the pharmaceutical industry, the use of recycled or reused input materials in the core manufacturing process is generally not feasible due to stringent quality, safety, and regulatory requirements. However, the Company undertakes selective resource recovery initiatives within its operations. This includes recovery of spent solvents through dedicated solvent recovery systems and reclamation of certain catalysts for reuse in the manufacturing process, wherever technically and commercially feasible.

Input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Solvents	18%	23.20%

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*

Not applicable, our products are used in further manufacturing of finished dosage form by our customers.

5. *Reclaimed products and their packaging materials (as percentage of products sold) for each product category.*

Not applicable, our products are used in further manufacturing of finished dosage form by our customers.



PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. *A. Details of measures for the well-being of employees*

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	1837	1837	100%	1837	100%	-	-	1837	100%	1837	100%
Female	260	260	100%	260	100%	260	100%	-	-	260	100%
Total	2097	2097	100%	2097	100%	260	12.40%	1837	87.60%	2097	100%
OTHER THAN PERMANENT EMPLOYEES											
Male	367	367	100%	367	100%	-	-	367	100%	367	100%
Female	7	7	100%	7	100%	7	100%	-	-	7	100%
Total	374	374	100%	374	100%	7	1.87%	367	98.13%	374	100%

B. Details of measures for the well-being of workers

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT WORKERS											
Male	86	86	100%	86	100%	0	0%	86	100%	86	100%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	86	86	100%	86	100%	0	0%	86	100%	86	100%
OTHER THAN PERMANENT WORKERS											
Male	1234	1234	100%	1234	100%	0	0%	1234	0%	1234	100%
Female	90	90	0%	90	0%	90	0%	0	0%	90	0%
Total	1324	1324	100%	1324	100%	90	6.80%	1234	93.20%	1324	100%

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

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the Company	0.62%	0.70%

2. *Details of retirement benefits for the current and previous financial year*

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	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 employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
Employee State Insurance (ESI)	16%	0%	Y	3%	0%	Y
Others	0%	0%	Y	0%	0%	Y

3. Accessibility of workplaces: Are the premises/offices accessible to differently abled employees 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.

For differently abled employees, the infrastructure facilities across the offices and manufacturing and R&D facilities adhere to accessibility standards as required. The Equal Opportunity Policy safeguards the rights of the differently abled employees.

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, the policy is accessible on the Company's intranet. We are committed to being an equal opportunities employer, fostering an inclusive environment where everyone can thrive. We do not discriminate in any aspect of employment based on factors such as race, religion, disability, gender, or age. Our code of ethical conduct reinforces our commitment to hiring and promoting individuals based on their qualifications and abilities, without regard to protected categories. For more information on our company culture, visit <https://www.neulandlabs.com/en/careers/people>.

5. Return to work and retention rates of permanent employees that took parental leave.

Permanent employees		
Gender	Return to work rate	Retention rate
Male	96.84%	96.30%
Female	38.89%	64.29%
Total	87.61%	92.62%

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

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

The Company has established a comprehensive grievance redressal mechanism for its employees and workmen, ensuring that all concerns raised through various channels are addressed in accordance with its formal Grievance Redressal Policy, which is accessible on the Company's intranet.

To promote a transparent and supportive work environment, the Company has constituted Central and Location-level Grievance Committees that are responsible for the timely and effective resolution of employee concerns. Employees are encouraged to report grievances, including any human rights concerns, through multiple channels such as the internal grievance portal, email (grievances@neulandlabs.com), or physical drop boxes available across all locations. The policy is also displayed on notice boards, including in vernacular languages, to ensure accessibility for all workmen. Anonymous submissions are permitted to encourage open reporting.

In addition, the Company has implemented a robust Whistleblower Policy/Vigil Mechanism that extends to all stakeholders, including employees, directors, investors, contractors, customers, consultants, suppliers, vendors, and associated parties. Concerns raised under this mechanism are reviewed by the Compliance Officer and reported to the Audit Committee and, where necessary, escalated to the Board of Directors.

Employees may also raise concerns directly with their reporting managers or the Human Resources team. Complaints related to sexual harassment are addressed in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Company's internal policy aligned with the same.

7. Membership of employees in association(s) or unions

Category	FY 2025-26			FY 2024-25		
	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	2,097	0	0%	1,699	0	0%
Male	1,837	0	0%	1,495	0	0%
Female	260	0	0%	204	0	0%
Total Permanent Workers	86	86	100%	95	95	100%
Male	86	86	100%	95	95	100%
Female	0	0	0%	0	0	0%

8. Details of training given to employees

Category	FY 2025-26					FY 2024-25				
	Total (A)	On health and safety/wellness measures		On skill upgradation		Total (A)	On health and safety measures/wellness		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES										
Male	2,097	2,097	100%	2,097	100%	1,784	1,784	100%	1,784	100%
Female	374	374	100%	374	100%	207	207	100%	207	100%
Total	2,471	2,471	100%	2,471	100%	1,991	1,991	100%	1,991	100%
WORKERS										
Male	86	86	100%	86	100%	1,238	1,238	100%	1,238	100%
Female	1,324	1,324	100%	1,324	100%	75	75	100%	75	0%
Total	1,410	1,410	100%	1,410	100%	1,313	1,313	100%	1,313	100%

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	1,508	1,116	74.01%	1,443	880	60.98%
Female	219	188	85.84%	189	111	58.73%
Total	1,727	1,304	75.51%	1,632	991	60.72%
WORKERS						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

* Cut-off date for the performance appraisal is 31st May 2026.

Performance goals are established for all employees at the start of the financial year. Our employees participate in mid-year and annual performance reviews as part of our performance management process. The performance appraisals are conducted for permanent employees who joined on or before December 31, 2025, and are on the organization's payroll in the current appraisal cycle. However, performance appraisals are not applicable to our permanent workmen, as they are governed by wage agreements.

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 of such system?

Yes, Neuland is certified for ISO 45001 :2018 Occupational Health and Safety Management System for all manufacturing sites and R&D.

- 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 Company has established a robust framework for the identification of work-related hazards and assessment of risks across both routine and non-routine operations. Key processes include structured workplace risk assessments, Hazard and Operability Studies (HAZOP), and Hazard Identification and Risk Assessment (HIRA) methodologies.

These are supported by a comprehensive permit-to-work system, regular safety inspections, and a Safety Audit Management System to ensure adherence to established safety standards. The Company conducts periodic safety audits across its facilities to monitor compliance and promptly address identified gaps. Inter-facility safety audits are carried out on a half-yearly basis, while independent external audits are conducted annually.

In addition, a rigorous internal audit and reporting mechanism is in place to track, address, and close compliance issues in a timely manner. The Company remains committed to continuous improvement of its processes to strengthen workplace health and safety performance.

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

Yes. The Company has established robust mechanisms that enable workers to report work-related hazards through both online and offline channels. These reporting systems are monitored on a 24×7 basis, ensuring that concerns are promptly addressed.

The Company's incident management system ensures that all incidents are reported to relevant internal teams and, where required, to statutory authorities. Following any reported incident, cross-functional teams undertake detailed investigations to identify root causes. Based on the findings, appropriate corrective and preventive actions (CAPA) are recommended.

These actions are systematically tracked and reviewed through periodic management reviews to ensure effective implementation. Where similar risks are identified across multiple locations, a global CAPA is initiated and implemented across all sites to prevent recurrence.

- d. Do the employees have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, we have an Occupational Health Centre at all our locations, with an inhouse doctor. First aid facility is available at corporate office. All the employees undergo pre-employment and periodic health assessments to ensure good health.

11. Details of safety related incidents

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company is committed to maintaining the highest standards of occupational health, safety, and environmental (EHS) practices, with a strong focus on continuous improvement and employee well-being.

A comprehensive risk management framework is implemented, including regular workplace risk assessments, Hazard and Operability Studies (HAZOP), and Hazard Identification and Risk Assessment (HIRA) processes. These enable proactive identification and mitigation of potential hazards associated with operations. In addition, a stringent permit-to-work system ensures that all high-risk activities are appropriately authorized and assessed prior to execution.

The Company has established a structured governance mechanism through periodic Safety Committee meetings, conducted in line with EHS Standard Operating Procedures. Its EHS Management System is aligned with internationally recognized standards such as ISO 45001:2018 and ISO 14001:2015, and is subject to regular internal, inter-facility, and external audits. These audits support compliance, strengthen controls, and drive continual improvement. As a result, the Company has maintained a strong safety record with no significant workplace incidents during the reporting period.

Employee health and well-being are supported through a range of initiatives, including pre-employment and periodic medical examinations, regular health check-ups, wellness programs, vaccination drives, and workplace environment improvements. The Company also maintains individual health records and provides counselling and targeted support for employees at higher medical risk.

A strong safety culture is fostered through Behaviour-Based Safety (BBS) programs, regular safety training sessions, and employee engagement initiatives such as safety awareness programs and committee participation. These efforts encourage proactive involvement and accountability across the workforce.

The effectiveness of these initiatives is reflected in the Company's robust safety performance and external recognition, including prestigious accolades such as the British Safety Council Five Star Rating and the Sword of Honour, underscoring its commitment to maintaining a safe and healthy workplace.

13. Number of complaints on the following made by employees

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	2,815	11	-	1,646	11	-
Health and safety	862	18	-	285	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 and safety practices and working conditions.

The Company has established a comprehensive framework to identify, assess, and address safety-related incidents and risks. Prior to the initiation of any project, a detailed Environmental, Health, and Safety (EHS) assessment is conducted to evaluate feasibility and ensure minimal impact on employee health, safety, and the environment.

Risk assessments are carried out periodically in accordance with internal Standard Operating Procedures (SOPs) and audit protocols. All identified gaps are addressed through structured Corrective and Preventive Actions (CAPA), which are tracked and closed within defined timelines under the supervision of site-level and senior management.

The Company adopts a zero-tolerance approach to safety incidents, ensuring that all incidents are promptly reported, investigated, and resolved. Root cause analysis is conducted by cross-functional teams, and appropriate corrective measures are implemented to prevent recurrence. Where similar risks are identified across locations, standardized corrective actions are deployed across all sites.

To mitigate significant risks, the Company implements enhanced safety controls, including strengthening operating procedures, upgrading equipment or infrastructure, provision of appropriate personal protective equipment (PPE), and introducing additional safety protocols where required.

Regular safety audits, inspections, and compliance reviews are conducted to ensure adherence to regulatory requirements and internal standards. In parallel, ongoing training and awareness programs are conducted to enhance employee understanding of workplace hazards and safe practices.

The Company also maintains robust incident reporting mechanisms to encourage timely reporting of concerns, enabling swift investigation and resolution. Through these proactive and systematic measures, the Company continues to strengthen its safety performance and ensure a safe and healthy working environment for all stakeholders.

For more information kindly refer to Human Capital section of our integrated annual report for FY 2025-26.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of a. Employees (Y/N) and b. Workers (Y/N)

Yes, for both our employees and workmen.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We maintain robust mechanisms to ensure that all applicable statutory dues related to transactions with its value chain partners are accurately deducted and deposited in accordance with regulations. These processes undergo regular audit scrutiny. We diligently collect relevant certificates and proofs from our contractors regarding the payment of statutory dues such as PF, ESIC, etc., for contractual employees and workmen. Furthermore, we emphasize ethical behaviour and integrity with our value chain partners in all business dealings and adherence to fair business practices.

3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/Workers		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, the Company provides opportunities to retired or separated employees as consultants or advisors, subject to requirement.

5. Details on assessment of value chain partners

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	17.28%
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There were no significant risks/concerns identified during the supplier assessments.



PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Our key stakeholders include customers, investors, board members, workmen, clients, suppliers, the community, and regulators, among others. We believe that businesses that invest in building trust and fostering a cooperative working environment with stakeholders are more likely to succeed. Therefore, effective stakeholder communication is a cornerstone of our strategy. Over the years, we have built strong relationships with our stakeholders based on trust and respect. We engage with them regularly through various channels to understand their needs and goals, ensuring our efforts are aligned with their expectations.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Board and Committees of the Board	No	Emails, virtual and in-person meetings, group calls, messaging platforms	Quarterly and need-based	Oversight of business operations, performance, strategy, risks and opportunities, compliance, audit reports, ESG initiatives, R&D updates, industry trends, business continuity, and crisis management.
Employees and Workmen	No	Performance feedback, surveys, training sessions, toolbox talks, emails, intranet, digital communication, message broadcasting, townhalls	Continuous	To foster a safe, inclusive, and engaging workplace; enable transparent communication, capability building, employee feedback, recognition, and dissemination of company and industry updates.
Suppliers	No	Supplier audits, supplier meets, targeted engagements, grievance redressal mechanisms	Frequent and need-based	To ensure business continuity, maintain quality standards, ensure cGMP compliance, promote Supplier Code of Conduct adherence, enhance ESG awareness, and address feedback/ queries.
Customers	No	Customer meetings, site visits, audits, surveys, structured engagements	Frequent and need-based	To expand market reach, promote product portfolio, ensure fair business practices, assess creditworthiness, and address customer feedback and queries.
Government and Regulators	No	Regulatory filings, submissions, inspections, structured meetings, emails, website disclosures	Need-based	To ensure compliance with applicable regulations and support product development, manufacturing, and commercialization activities.
Community	Yes	Physical visits, community meetings, digital channels	Frequent and need-based	To understand local needs, support sustainable development, and implement CSR initiatives in healthcare, education, women empowerment, environment, water, sanitation, and rural infrastructure.
Investors / Financial Partners	No	Investor meetings/calls, conferences, earnings calls, emails, press releases, stock exchange filings, presentations, annual reports, website	Frequent and need-based	To enable informed investment decisions through updates on financial performance, business strategy, growth opportunities, risks, ESG initiatives, and material developments.

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Senior Management	No	Emails, virtual and in-person meetings, group calls, messaging platforms	Quarterly and need-based	Oversight of business operations, performance, strategy, risks and opportunities, compliance, audit reports, ESG initiatives, R&D updates, industry trends, business continuity, and crisis management.

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 feedback from such consultations is provided to the Board.

The Company is committed to the principle that robust stakeholder engagement is essential to realize its vision of sustainable and inclusive growth. To this end, a comprehensive framework has been established to navigate the complexities of stakeholder interactions. The Board of Directors exercises oversight through the Corporate Social Responsibility (CSR) and Risk & Sustainability Committees, which, among other responsibilities, assess, oversee, and set the course for the Company's CSR initiatives and sustainability endeavours. Progress reports concerning these areas are regularly presented to these Committees by the Management. Furthermore, the Company has instituted an ESG Apex Committee, composed of senior management, tasked with the supervision of the Company's ESG objectives. This Committee operates with the support of a dedicated Core Committee and an Operational driving team.

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, In FY 2025–26, Neuland Laboratories Limited refreshed its materiality assessment after three years, transitioning from a Single Materiality approach to conducting its first Double Materiality Assessment (DMA) in order to strengthen its sustainability governance and align with evolving regulatory expectations.

The Double Materiality Assessment (DMA) was conducted through a structured process to identify the sustainability topics most relevant to Neuland and its stakeholders. The assessment began with the identification of over 60 (Sixty) topics, which were refined to 40 relevant topics through framework mapping, peer benchmarking, and internal review.

Extensive stakeholder engagement was then undertaken across 14 internal and external stakeholder groups through surveys and workshops, where topics were assessed based on relevance.

The outcomes were consolidated and validated by the Company's senior management, resulting in the identification of the final 12 (twelve) material topics, with final review and approval by the Company's Senior Management and Board-level Risk and Sustainability Committee.

Key topics are also listed in Section A - Question 24 of this report. Materiality Assessment is now conducted once in two years, and the next one is due in FY 2027-28. Our ESG strategy and downstream focus areas are formulated based on the inputs received from key stakeholders on these material topics.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

We are dedicated to serving disadvantaged, vulnerable, and marginalized stakeholders in areas near our manufacturing facilities through various CSR initiatives. We implement numerous programs focusing on education, women empowerment, clean water and sanitation, skills development and livelihoods, health and well-being, environmental sustainability, and sustainable communities. These initiatives are carried out both directly and in partnership with other organizations to support marginalized sections of the community. For more details, please refer to Principle 8 of this report.



PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
EMPLOYEES						
Permanent	2,097	2,097	100%	1,699	1,699	100%
Other than permanent	374	374	100%	292	292	100%
Total Employees	2,471	2,471	100%	1,991	1,991	100%
WORKERS						
Permanent	86	86	100%	95	95	100%
Other than permanent	1,324	1,324	100%	1,218	1,218	100%
Total Workers	1,410	1,410	100%	1,313	1,313	100%

2. Details of minimum wages paid to employees

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Permanent	2,097	0	0%	2,097	100%	1,699	0	0%	1,699	100%
Male	1,837	0	0%	1,837	100%	1,495	0	0%	1,495	100%
Female	260	0	0%	260	100%	204	0	0%	204	100%
Other than Permanent	374	0	0%	374	100%	292	0	0%	292	100%
Male	367	0	0%	367	100%	289	0	0%	289	100%
Female	7	0	0%	7	100%	3	0	0%	3	100%
WORKERS										
Permanent	86	0	0%	86	100%	95	0	0%	95	100%
Male	86	0	0%	86	100%	95	0	0%	95	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent	1,324	0	0%	1,324	100%	1,218	0	0%	1,218	100%
Male	1,234	0	0%	1,234	100%	1,143	0	0%	1,143	100%
Female	90	0	0%	90	100%	75	0	0%	75	100%

3. A. Details of remuneration/salary/Wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD) (including whole-time directors)	7	42,60,000	1	43,10,000
Key Managerial Personnel (other than BoD)	1	2,11,29,517	1	52,00,008
Employees other than BoD and KMP*	1,833	6,79,908	259	5,00,004
Workers	86	10,15,667	0	-

*Employee count here is excluding 3 whole-time directors and 2 KMP.

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

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	8.93%	9.28%

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/No)

Yes, we have a Grievance Redressal policy in place, Central Grievance Committee addresses grievances of permanent employees and Location Grievance Committee addresses grievances of permanent workmen. The policy and the committee members list are available to all employees in our intranet portal. Additionally, we encourage employees to raise their concerns and ask for help in case of any violation or perceived violation of human rights. They can report any grievance to Grievance Cell (grievances@neulandlabs.com). For more details, please refer to Principle 3, Point 6.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

Any grievance arising out of violation of human rights shall be dealt with as per process defined under Grievance Redressal policy. They can report any grievance to Grievance Cell (grievances@neulandlabs.com). For more details, please refer to Principle 3, Point 6.

6. Number of complaints on the following made by employees and workers

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	-	3	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	3
Complaints on POSH as a % of female employees / workers	0.00%	1.06%
Complaints on POSH upheld	0	2

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company has established robust mechanisms to ensure protection of complainants in cases of discrimination, harassment, or any related grievances. Its Prevention of Workplace Discrimination & Equal Opportunity Employment Policy explicitly ensures that no adverse action is taken against individuals who raise concerns in good faith.

Additionally, the Grievance Redressal Policy provides safeguards to protect not only the complainant but also any individual assisting in the investigation, including witnesses, from retaliation, victimization, or unfair treatment during and after the inquiry process.

The Company actively promotes a speak-up culture through regular training and awareness programs, reinforcing employees’ understanding of their rights and responsibilities. It encourages reporting of concerns in good faith and maintains a strict non-retaliation stance.

Further, the Human Rights Policy enables employees to report any actual or perceived violations without fear of reprisal. Employees can raise concerns via email (grievances@neulandlabs.com), which are addressed in accordance with the established grievance redressal framework. Contract labour is also provided access to reporting channels through the site Human Resources team.

In addition, the Whistleblower Policy provides a confidential and secure mechanism for reporting concerns, including instances of retaliation. Complaints can be submitted through designated email channels, and all matters are investigated under a structured whistleblower mechanism. Any concerns regarding retaliation may be escalated to the Compliance Officer or senior management, including the CEO/MD.

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

Yes, the Company has human rights related requirements as part of the business agreements and contracts.

10. Assessments for the year

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify (Health & Safety)	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant risks or concerns were identified through the Company’s internal monitoring and review mechanisms during the reporting year. Accordingly, no corrective actions were required or are currently underway.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

There have been no changes to our processes, as no human rights grievances or complaints were received.

2. Details of the scope and coverage of any human rights due diligence conducted.

The scope covered all locations of the organization and covered the following areas:

Organizational governance, human rights, labour practices, fair operating practices, consumer issues and community involvement and development.

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?

For the differently abled visitors, the infrastructure facilities across the offices and manufacturing and R&D facilities adhere to accessibility standards, to the extent required.

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	17.28%
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

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

No significant risks or concerns were identified during the supplier assessments referenced in Question 4. As such, no corrective actions were required or are currently underway. We continue to monitor supplier performance regularly to ensure ongoing compliance and risk mitigation.



PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	31,589.41	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	31,589.41	0
From non-renewable sources		
Total electricity consumption (D) in GJ	1,76,700.14	1,53,802.75
Total fuel consumption (E) in GJ	2,64,482.20	2,29,563.15
Energy consumption through other sources (F) in GJ	0	0
Total energy consumed from non-renewable sources (D+E+F) in GJ	4,72,771.75	3,83,365.90
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) GJ/₹	0.000023	0.000026
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)*	0.000475	0.000536
Energy intensity in terms of physical output (GJ/MT of production)	1.25	0.86

* PPP – IMF conversion factors for FY 2025-26 - 20.34

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. - Yes, BDO India Services Private Limited, a third party conducted a reasonable assurance for FY 2025-26 on BRSR Core Indicators and limited assurance on other sustainability parameters reported in our integrated report.

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.

The PAT Scheme is not applicable to Neuland, as none of our sites or facilities have been identified as Designated Consumers (DCs) under the scheme by the Government of India.

3. Provide details of the following disclosures related to water.

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	1,88,097.65	1,41,490.40
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,88,097.65	1,41,490.40
Total volume of water consumption (in kilolitres)	1,88,097.65	1,41,490.40
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000930	0.00000958
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	0.000189	0.000198
Water intensity in terms of physical output (KL/Kg of production)	0.49	0.32

*PPP – IMF conversion factors for FY 2025-26 - 20.34

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – Yes, BDO India Services Private Limited, a third party conducted a reasonable assurance for FY 2025-26 on BRSR Core Indicators and limited assurance on other sustainability parameters reported in our integrated report.

4. Provide the following details related to water discharged:

	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	1,700.00 (Tertiary)
Total water discharged (in kilolitres)	Nil	1,700.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Yes, BDO India Services Private Limited, a third party conducted a reasonable assurance for FY 2025-26 on BRSR Core Indicators and limited assurance on other sustainability parameters reported in our integrated report.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

To conserve natural resources and protect the environment, Neuland has implemented Zero Liquid Discharge (ZLD) systems across all its manufacturing facilities. These systems are designed to ensure that all wastewater generated during operations is treated, recycled, and reused within the facility, leaving no liquid effluent for external discharge. The ZLD process typically involves multiple stages, including primary treatment, ultrafiltration, reverse osmosis, and evaporation, followed by crystallization to recover usable water and safely manage residual solids. By adopting this closed-loop water management system, Neuland effectively eliminates the risk of water pollution, complies with stringent regulatory norms, and reinforces its commitment to environmental sustainability.

6. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	Tons	18.50	26.02
SOx	Tons	55.91	70.14
Particulate matter (PM)	Tons	30.85	35.70
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	29,324.15	27,760.95
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	34,849.39	31,059.61
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent per Rupee	0.0000032	0.0000040
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 per Rupee	0.0000645	0.0000823
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO ₂ equivalent per Kg of production	0.14	0.13

*PPP- IMF Conversion Factors for FY 2025-26 - 20.34

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – Yes, BDO India Services Private Limited, a third party conducted a reasonable assurance for FY 2025-26 on BRSR Core Indicators and limited assurance on other sustainability parameters reported in our integrated report.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes. The Company has undertaken several projects and initiatives aimed at improving energy efficiency, reducing fuel consumption, and lowering greenhouse gas (GHG) emissions across its operations. These initiatives form part of the Company's broader commitment towards operational sustainability and long-term decarbonisation.

Key initiatives undertaken during the year include:

- Prioritisation of renewable power arrangements, including wheeling, group-captive, and third-party renewable energy procurement models, to support long-term reduction in carbon emissions.
- Installation of IE3 energy-efficient motors to reduce electrical losses and improve equipment efficiency.
- Deployment of kVAR energy controllers and capacitor banks to improve power factor, stabilize voltage, and reduce energy wastage.
- Upgradation to energy-efficient Electronically Commutated (EC) blowers for lower power consumption and improved operational performance.
- Optimization of cooling tower systems through improved thermal efficiency and reduced water and energy usage.
- Implementation of heat recovery systems to capture and reuse waste heat from industrial processes and HVAC systems, thereby reducing fuel and energy requirements.
- Increased adoption of automation technologies to optimize equipment performance and maintain energy-efficient operating conditions.
- Deployment of HHO (Hydroxy Gas) systems to improve combustion efficiency, reduce fuel consumption, and lower carbon emissions.
- Installation of automatic boiler blowdown controls and oxygen (O₂) trim control systems to improve steam generation efficiency and reduce fuel losses.

- Optimization and right-sizing of boiler capacities to improve fuel efficiency and operational reliability.
- Structured monitoring and reduction of leakages in compressed air and nitrogen systems to minimize utility-related energy losses.
- Voltage optimization initiatives to reduce excess power consumption and improve equipment life.
- Optimization of the fuel mix by partially replacing coal with biomass briquettes, resulting in approximately 15% reduction in overall coal consumption.

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

Parameter (in metric tonnes)	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	3.11
E-waste (B)	0.46	0.90
Bio-medical waste (C)	5.47	5.47
Construction and demolition waste (D)	3,885.81	2,500.30
Battery waste (E)	2.60	0.03
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	7,864.48	5,276.35
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	3,117.00	113.41
Total (A+B + C + D + E + F + G + H)	14,875.81	7,899.57
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000008	0.00000053
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000016	0.000011
Waste intensity in terms of physical output (MT/Kg of production)	0.04	0.02
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	6,983.47	2,504.34
(ii) Re-used	7,887.41	5,389.76
(iii) Other recovery operations	-	-
Total	14,870.88	7,894.11
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	5.48	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	5.47
Total	5.48	5.47

Note: Plastic waste quantity of 3.5 MT has been considered and reported under the Hazardous Waste category.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, BDO India Services Private Limited, a third party conducted a reasonable assurance for FY 2025-26 on BRSR Core Indicators and limited assurance on other sustainability parameters reported in our integrated report.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

At Neuland, waste management is guided by a comprehensive Standard Operating Procedure (SOP) that ensures the safe and sustainable handling of all waste categories—hazardous, non-hazardous, and general waste. Our approach emphasizes strict adherence to the Hazardous Waste Management Rules, 2016, particularly for materials such as evaporation salt, process salt, and spent carbon. These are carefully collected by trained personnel using appropriately labelled MS drums or double-layer polythene bags to ensure safe containment and traceability.

A key element of our waste strategy is the co-processing of hazardous waste in cement kilns, which not only prevents landfill accumulation but also promotes resource recovery and circularity. Additionally, our facilities implement rigorous waste segregation, recycling, and tracking mechanisms to ensure environmental compliance and minimize ecological impact.

Our commitment to sustainable waste management resulted in the successful diversion of 100% of waste from landfills, reflecting our ongoing efforts to eliminate waste at source, improve material efficiency, and achieve zero landfill goals.

To reduce the use of hazardous and toxic chemicals, Neuland continues to invest in green chemistry practices, process optimization, and substitution of harmful substances with safer alternatives, aligning with our broader environmental sustainability objectives.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.

None of our operational sites are located in or around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

During the reporting year, no projects undertaken by Neuland required an Environmental Impact Assessment (EIA) under the applicable environmental laws. As such, no EIAs were conducted in the current financial year.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

Yes, Neuland is compliant with applicable environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, the Environment (Protection) Act, and the rules framed thereunder. The company consistently adheres to regulatory requirements and maintains a strong focus on environmental stewardship across all its operations.

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, provide the following information:

- (i) Name of the area: Bonthapally, Pashamylaram and Gaddapotharam (Sangareddy District) and Jubilee Hills, Hyderabad
- (ii) Nature of operations: Manufacturing, R&D and Administration

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	1,88,097.65	1,41,490.40
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	1,88,097.65	1,41,490.40
Total volume of water consumption (in kilolitres)	1,88,097.65	1,41,490.40
Water intensity per rupee of turnover (Water consumed / turnover) KL/Rs.	0.00000930	0.00000958
Water intensity (optional) – the relevant metric may be selected by the entity KL/Rs. Lakh	0.93	0.96
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	-*	-*
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	1,700.00 (Tertiary)
Total water discharged (in kilolitres)	Nil	1,700.00

* The company is not tracking its water discharge at corporate office, as it is a leased asset with common STP, and the consumption and discharge being insignificant.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, BDO India Services Private Limited, a third party conducted a reasonable assurance for FY 2025-26 on BRSR Core Indicators and limited assurance on other sustainability parameters reported in our integrated report.

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,58,999.72	1,28,243.58
Under Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent per Rupee	0.0000079	0.0000087
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO ₂ equivalent per Lakh Rupees	0.79	0.87

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, BDO India Services Private Limited, a third party conducted a reasonable assurance for FY 2025-26 on BRSR Core Indicators and limited assurance on other sustainability parameters reported in our integrated report.

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, as we do not operate in ecologically sensitive areas.

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:*

At Neuland, environmental sustainability and responsible resource management are embedded into our core operational philosophy. We firmly believe in creating “wealth from waste,” and this mindset drives our comprehensive efforts toward achieving zero waste to landfill through robust waste reduction, reuse, and recycling programs.

For details about this, please refer the natural capital section of our FY 2025-26 Integrated Report.

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

We, at Neuland currently have a Disaster Management Plan in place from an IT perspective, along with established plans for Supply Chain and Manufacturing Operations. These frameworks enabled the Company to respond swiftly during the pandemic and other emergencies. From a manufacturing standpoint, certain products are qualified across multiple production lines, and vice versa, ensuring operational continuity and risk mitigation. Our Business Continuity Policy aligned to ISO 22301 is available intranet for access to our employees and internal stakeholders. Additionally, Neuland is actively developing comprehensive Business Continuity Plans (BCP) aligned with ISO 22301, covering all departments and potential scenarios, with the goal of achieving full accreditation by June 2026.

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.*

Increased emissions from procurement activities were identified as a significant environmental impact within our value chain. In response, we, at Neuland implemented a supply chain de-risking strategy aimed at reducing geographic dependencies and shortening supply chains, an approach particularly relevant in the context of the pandemic and evolving global challenges.

As part of this initiative, we successfully onboarded an alternate Indian supplier for a key starting material used in the production of one of our beta-blocker drugs, reducing reliance on the existing overseas vendor. This move not only led to process improvements and cost savings but also contributed to a notable reduction in carbon emissions, aligning with our broader environmental sustainability goals.

7. *Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.*

17.28% of the significant suppliers were assessed for environmental impacts.

8. *How many Green Credits have been generated or procured:*

a. By the listed entity – Nil

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners - Nil



PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. *a. Number of affiliations with trade and industry chambers/ associations.*

Neuland is an active member of six trade and industry chambers and associations, reflecting its commitment to industry collaboration, knowledge sharing, and policy advocacy.

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	Confederation of Indian Industry (CII)	National
2	Pharmaexcil	State
3	Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
4	Bulk Drug Manufacturers Association (India) (BDMA)	National
5	Society for Cyberabad Security Council (SCSC)	State
6	Society for Sangareddy Security Council (SSSC)	State

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.*

There have been no adverse orders from regulatory authorities related to anti-competitive conduct against Neuland. As such, no corrective actions are currently required or underway in this regard. The company remains committed to fair business practices and compliance with all applicable competition laws and regulations.

Leadership Indicators

1. *Details of public policy positions advocated by the entity*

The company is involved in advocating for industry advancement and broader public welfare. Our focus areas include sustainable product development, environmental stewardship, women's safety and security, and corporate social responsibility (CSR). We contribute through active participation in industry associations and collaborate with local government authorities to support and promote initiatives aligned with these priorities.



PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND
EQUITABLE DEVELOPMENT

Essential Indicators

1. *Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.*

Not Applicable, the Company has not undertaken any SIA during the reporting period.

2. *Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.*

Not Applicable, the Company has not undertaken any projects which required R&R.

3. *Describe the mechanisms to receive and redress grievances of the community.*

We actively collaborate with villagers and local communities, alongside Village Sarpanch and other Government agencies, to address any community-related issues in all locations where we operate. In case of any grievances, the community leaders have access to the Company's representatives at each of the units and depending on the nature of the grievance, relevant stakeholders are engaged to resolve such issue.

4. *Percentage of input material (inputs to total inputs by value) sourced from suppliers.*

Parameter	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	35.20%	42.66%
Directly from within India	77.89%	63.84%

5. *Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost*

Location	FY 2025-26	FY 2024-25
Rural	0%	0%
Semi-Urban*	69.73%	69.94%
Urban	0%	0%
Metropolitan	30.27%	30.06%

*Based on people working in the areas, but not all live there.

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, As Social Impact Assessment was not required to be conducted during the reporting period.

2. *Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies*

Neuland has not taken up any CSR activities in the aspirational districts as listed by the government.

3. a. *Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)*

No. We are in the process of building a diversified vendor base to mitigate the risks associated with relying on a single vendor and do not discriminate vendors on any basis. This approach also allows us to engage with small and medium enterprises, contributing to the growth of the local economy and supply chain. Our procurement efforts are focused on a range of vendors, and we have transitioned to an e-procurement portal, ensuring equal access for all vendors to transparently engage with our company. However, we have not specifically targeted marginalized groups in our supplier selection process.

b. *From which marginalized /vulnerable groups do you procure? What percentage of total procurement (by value) does it constitute?*

Not Applicable

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.*

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.*

Not Applicable

6. *Details of beneficiaries of CSR Projects*

Sl. No.	Project	SDGs	No. of persons benefitted	% of beneficiaries from vulnerable and marginalized groups
1	Medical camps (4)	SDG-3	1,560	The main objective of CSR activities of the Company is to focus on serving disadvantaged, vulnerable and marginalized stakeholders from weak socioeconomic background in core areas near to its manufacturing facilities through various CSR initiatives.
2	Women empowerment through safe commuting (She shuttle-3)	SDG-5	653	
3	Comprehensive Development of school children through Sports facilities	SDG-4	1,984	
4	Upgradation of infrastructure in schools for effective learning	SDG-4	600	
5	Better facilities for residential school children (SCs) by provisioning of blanket distribution	SDG- 4	1,500	
6	Adding Mechanical workshop facility at Shivampet polytechnic college	SDG-4	440	
7	Green women entrepreneurs in Gummadidala	SDG-5	30	
8	Clean and safe Drinking water facility – 60KL Overhead Tank	SDG-6	230	
9	Neuland Nandanvans – Nutri oxyzones	SDG-2,3 &13	1,050	
10	Manjeera Bird Sanctuary photography contest to promote biodiversity of flora and fauna among citizens	SDG-13 & 15	330	
11	Social protection for Informal sector workers	SDG-8	500	
12	Classroom to career pathways	SDG-4	1,560	
13	Integrated watershed management program	SDG-6,7,13&15	2,686	
14	Rapid Action Project promoting biodiversity	SDG-13&15	225	
15	Heart surgeries for children	SDG-3	17	



PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

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

We do not have any direct consumers for our products as we supply to pharmaceutical companies into finished dosage manufacturers. Any customer complaints are being managed timely as per internal SOP.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

As a percentage to total turnover	
Environmental and social parameters relevant to the product	100 %. The company provides safety data sheets that are shared with the customers for all its products wherever applicable and as required. Our products are not sold to retail customers as it is and therefore product information is not provided.
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Others	0	0	-	0	0	-

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? (Yes/No) If available, provide a web-link of the policy.

Yes, we have Cyber security framework related policies are available on the Company's intranet. We have obtained ISO 27001:2022 certification for our organization. Also, we the Company has a data privacy policy, and the web-link at <https://www.neulandlabs.com/en/privacy-policy>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No incidents reported hence no corrective actions.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches: 0
- b. Percentage of data breaches involving personally identifiable information of customers: 0%
- c. Impact, if any, of the data breaches: NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

- <https://www.neulandlabs.com/en>
- <https://www.neulandlabs.com/en/insights/resources>
- <https://www.neulandlabs.com/en/generic-apis>
- <https://www.neulandlabs.com/en/cdmo-services>
- <https://www.linkedin.com/company/neuland-laboratories-limited>
- <https://www.facebook.com/NeulandLaboratories/>
- <https://www.youtube.com/@neulandlaboratories537>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company primarily operates in a B2B environment and does not have direct consumer interactions. However, it ensures that its customers are adequately informed about the safe and responsible handling of its products.

Comprehensive Safety Data Sheets (SDS) are provided along with all products, in alignment with the Globally Harmonized System (GHS). These documents offer detailed information on product composition, hazards, safe handling practices, storage requirements, and emergency measures, including clear dos and don'ts for material handling.

In addition, the Company provides specific guidelines on product handling, storage, and transportation to ensure safety across the entire product lifecycle. Product safety is also rigorously evaluated during the research and development phase to ensure compliance with applicable safety standards.

The Company maintains appropriate communication mechanisms to keep customers informed of any potential risks, including disruptions or discontinuation of essential products or services, thereby enabling responsible and informed usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Neuland has established mechanisms to proactively communicate any potential risk of disruption or discontinuation of product supply to its customers. The Company maintains regular engagement with customers through dedicated account management teams, quality and regulatory functions, and supply chain coordination. In the event of any anticipated supply disruption arising from operational, regulatory, quality, or external factors, customers are informed in advance through formal communication channels to facilitate appropriate planning and business continuity. Where applicable, the Company works closely with customers to assess alternative supply arrangements, production scheduling, inventory management, and regulatory requirements to minimize the impact of any disruption. These measures are supported by Neuland's business continuity planning, robust quality management systems, and integrated supply chain processes, ensuring reliable product availability and continuity of supply.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. 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. The Company provides comprehensive product information on its labels that goes beyond regulatory requirements. This includes details such as product name and grade, batch number, manufacturing and re-test dates, quantity, manufacturer information, as well as storage and handling instructions. Additionally, precautionary and hazard statements, along with disposal guidelines, are clearly communicated to ensure safe usage and compliance across the product lifecycle.

Yes, the Company undertakes periodic customer satisfaction assessments. During the reporting year, structured surveys were conducted for customers across both business segments Generic Drug Substances (GDS) and Custom Manufacturing Solutions (CMS) to evaluate satisfaction levels and gather feedback for continuous improvement.

Annexure – 3

FORM - A

Disclosure of particulars with respect to conservation of energy (to the extent applicable)

A. CONSERVATION OF ENERGY

i. the steps taken or impact on conservation of energy:

During the course of the year, the Company has invested in infrastructure to improve energy efficiency and conserve energy. Some of the steps are listed below:

- Underperforming and high energy consuming vacuum pumps were replaced with new vacuum pumps.
- To minimise the liquid nitrogen consumption (-50 °C), installation of brine chilling plants was initiated.
- Replaced old, less energy efficient motors with energy efficient IE3 motors.
- Automatic tube cleaning systems were installed in refrigeration plants, resulting in reduction in a energy consumption.
- Underperforming reciprocated air compressors were replaced with new energy efficient screw compressors.
- Water jet vacuum pumps were replaced with new dry vacuum pumps to minimize the operation cycle times.
- Localized capacitor banks were installed at MCCs to minimize the transmission losses in power.

ii. the steps taken by the Company for utilising alternate sources of energy: Biomass briquettes utilisation was initiated as an alternative to coal (1,827 tons of briquettes used instead of coal).

iii. the capital investment on energy conservation equipment: The Company has invested around ₹ 817 lakhs on equipment for energy conservation.

iv. Power & Fuel Consumption:

	FY 2025-26	FY 2024-25
1. Electricity		
a. Purchased		
Unit in lakhs (kWh)	487.95	425.41
Total Amount (₹ in lakhs)	3,989.9	3,490.82
Rate/Unit (₹ /kWh)	8.2	8.2
b. Own generation (Unit in lakhs) kWh	8.83	7.83
(Through Diesel Generator)		
Units per litre of Diesel Oil	3.07	2.97
Cost/Unit (₹ /kWh)	31.42	33.24
2. Coal		
Quality "C" Grade used in Steam Boiler		
Quantity (Tonnes)	12,590.6	12,578.7
Total cost (₹ in lakhs)	1,138.97	1,195.32
Average rate (₹ /Tonne)	9,046.2	9,502.00

FORM - B

Disclosure of particulars with respect to conservation of energy (to the extent applicable)

(B) TECHNOLOGY ABSORPTION

i. Efforts made towards technology absorption:

During the year in review, we were able to carry out complex transformations in peptides, such as cyclization on a resin bed. Further, we were able to gain a better understanding of the chemistry and engineering aspects of peptides using peptide synthesizers.

ii. Benefits derived like product improvement, cost reduction, product development or import substitution:

- CMS division project details for the FY 2025-26

Particulars	No. of projects*
Total projects completed by CMS	26
Under progress CMS projects	10

**Projects do not refer to individual products but components of a bigger program.*

- Neuland filed DMF's details for the FY 2025-26

USDMFs

S. No.	DMF No.	Product
1.	42655	VONOPRAZAN FUMARATE
2.	43618	ENALAPRIL MALEATE USP (PROCESS-II)
3.	43905	EDOXABAN TOSYLATE MONOHYDRATE

CEP – 3 Filings

ROW – 15 Filings

- Neuland GDS ongoing project details for the FY 2025-2026: 19 Projects ongoing
- Life cycle management of the existing manufacturing processes for APIs resulted in lower production costs, reduced cycle times, and customer retention: 6 projects were completed during this financial year, and 9 projects are currently ongoing.
- Neuland has filed 17 patent applications and no patent granted in India FY 2025-2026.

iii. Expenditure on R&D:

	FY 2025-26	FY 2024-25
Capital	2,714.99	2,157.13
Recurring	5,205.59	3,966.74
Total	7,920.58	6,123.77

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned in terms of actual inflows and foreign exchange outgo in terms of actual outflows during the year ended March 31, 2026:

- Foreign exchange earned in terms of actual Inflows: ₹ 1,47,538.51 lakhs.
- Foreign exchange outgo in terms of actual Outflows: ₹ 38,350.92 lakhs.

Annexure – 4

Particulars of Remuneration

Details pertaining to remuneration as 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

THE INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT AND THE RULES MADE THERE-UNDER, IN RESPECT OF EMPLOYEES OF THE COMPANY, IS AS FOLLOWS:

i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each director and KMP for the financial year:

S. No.	Name of the Directors & Key Managerial Personnel	Ratio of remuneration to median remuneration of employees	% increase/decrease ¹ in remuneration over previous year
1.	Dr. D. R. Rao (Executive Chairman)	222.27	45.97
2.	Mr. D. Sucheth Rao (Executive Vice-Chairman)	209.09	37.31
3.	Mr. D. Saharsh Rao (CEO & MD)	209.09	37.31
4.	Dr. Christopher M. Cimarusti ² (Non-Executive Director)	5.83	37.50
5.	Mr. Homi Rustam Khusrokhhan (Non-Executive Director)	6.50	37.50
6.	Mr. Prasad Raghava Menon (Non-Executive Director)	6.41	42.91
7.	Mr. Sugata Sircar (Non-Executive Director)	6.32	38.08
8.	Ms. Pallavi Bakhru (Non-Executive Director)	6.53	38.14
9.	Dr. Ravi Gopinath ³ (Non-Executive Director)	5.71	-
10.	Mr. Abhijit Majumdar (Chief Financial Officer)	32.02	9.00
11.	Ms. Sarada Bhamidipati (Company Secretary & Compliance Officer)	7.88	13.04

¹Changes in the remuneration paid to non-executive directors reflect an increase / decrease in the sitting fees paid based on the number of meetings compared to the previous year and also an increase in provision for commission.

²Ceased to be director due to his demise on February 28, 2026.

³Appointed as a director with effect from August 1, 2025, hence not comparable.

- ii. The number of permanent employees on the rolls of company as on March 31, 2026, was 2,183.
- iii. The median remuneration of all employees who were present throughout the last & current financial year was ₹ 6,60,000 and ₹ 6,12,960 per annum for the FY 2025-26 and FY 2024-25, respectively. The increase in median remuneration of employees for the FY 2025-26, as compared to the FY 2024-25, is 7.67%.
- iv. The commission (variable) payable to the directors is based on the annual performance of the Company, i.e., the Net Profit calculated as per the provisions of the Companies Act, 2013 ("the Act").
- v. The Company affirms that the remuneration paid is as per the Remuneration Policy of the Company for Directors, Key Managerial Personnel and Employees.
- vi. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company during business hours on working days of the Company up to the date of the forthcoming Annual General Meeting. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Annexure – 5

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)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms' length transaction under third proviso thereto.

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

There were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2026, which were not at arm's length basis.

2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS:

Name of the Related party & nature of relationship	Duration of contract	Salient terms	Date of approval by Board, if any	Amount paid (₹ Lacs)	Amount paid as advances, if any
Dr. Christopher M Cimarusti Non-Executive Non-Independent Director ¹	May 20, 2021 - February 28, 2026	Refer Note 1	May 11, 2021	8.59	-
Mrs. Vijaya Rao Relative of Key Managerial Personnel	5 years from July 1, 2024 – Ongoing	Refer Note 2	10 May 2024	96.26	-
Mr. Davuluri Sucheth Rao, Executive Vice Chairman	5 years from August 7, 2025 – Ongoing	Refer Note 3	15 May 2025	129.09	-
Mr. Davuluri Saharsh Rao Chief Executive Officer & Managing Director	5 years from August 7, 2025 - Ongoing	Refer Note 3	15 May 2025	129.09	-

¹Ceased to be a director due to his demise on February 28, 2026

Note 1: The Shareholders had, at the Annual General Meeting held on July 7, 2021, approved a consultancy fee of USD 2,500 per day (net of taxes) for each day spent at the Company's facilities to Dr. Christopher M Cimarusti.

Note 2: The Company had renewed the three separate Lease agreements with Mrs. Vijaya Rao effective July 1, 2024 and the terms and conditions of the Lease Agreements dated July 1, 2014 remained unchanged.

Note 3: The Company had renewed the Lease Deed with Mr. Davuluri Sucheth Rao and Mr. Davuluri Saharsh Rao ("Lessors"), for office space to be used by the Company for a period of five years with effect from August 7, 2025. As per the renewed terms of the Lease Deed, the Company is required to pay lease rentals of ₹ 78/- per sq. ft. per month, subject to an increase of 12% every three years.

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

Dr. Davuluri Rama Mohan Rao
Executive Chairman
DIN: 00107737

REPORT ON CORPORATE GOVERNANCE

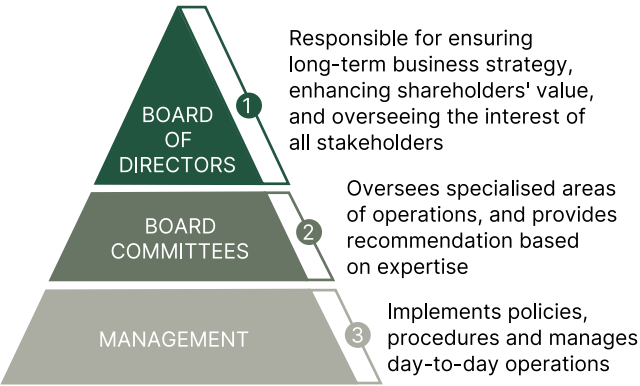
COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Neuland Laboratories Limited (“the Company”) is committed to maintaining the highest standards of corporate governance based on principles of integrity, transparency, accountability, and ethical conduct. As a participant in regulated global pharmaceutical markets, the Company recognises that a robust governance framework is critical for building stakeholder trust, ensuring regulatory compliance and enabling sustainable long-term value creation. The Company’s governance practices are aligned with applicable laws and regulations and are continuously strengthened in line with evolving global best practices.

GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

The Board of Directors is responsible for providing strategic direction, ensuring accountability and overseeing the performance of management. The governance structure is supported by a comprehensive committee framework, including the Audit Committee, Nomination and Remuneration Committee, Risk and Sustainability Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee, each providing focused oversight on key areas. The Board has also constituted a Strategy & Technology Committee in its meeting held on May 12, 2026.

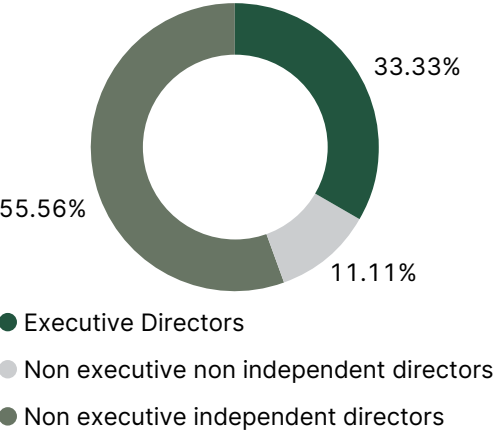
In addition, the Company is supported by Scientific and Technical Advisory Boards that provide domain-specific expertise and strengthen governance in areas of research, technology and innovation.



BOARD OF DIRECTORS

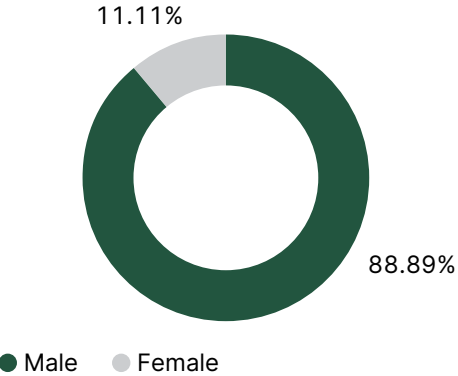
At Neuland, corporate governance is reinforced through the Company’s Code of Conduct for Board Members and Senior Management Personnel, corporate governance guidelines and the Board charter. The Company has diverse Board and well-structured committees of Board for effective decision making.

Board Composition and Independence

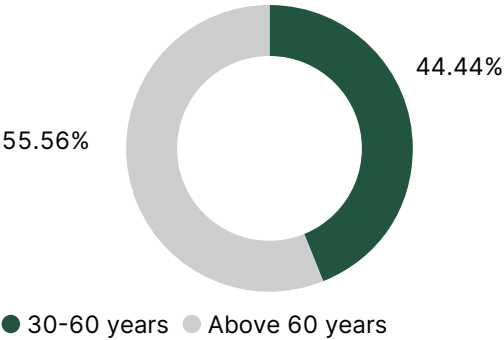


The Board comprises an appropriate mix of executive, non-executive and independent directors, ensuring diversity of experience, expertise and perspectives. Independent Directors constitute a significant portion of the Board, with all statutory committees chaired by Independent Directors, thereby ensuring independent oversight and balanced decision-making.

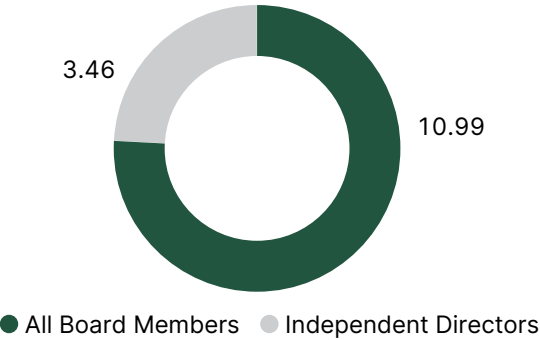
Gender Diversity



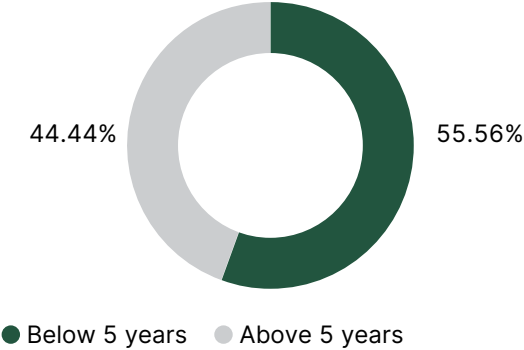
Age Profile



Average Tenure (in years)



Tenure



As of March 31, 2026, in accordance with the Corporate Governance norms, the Company’s Board of Directors headed by its Executive Chairman, Dr. Davuluri Rama Mohan Rao comprised of eight directors, out of which five were Non-Executive Independent Directors including one women director. As on the date of this report, i.e. May 12, 2026, one Non-Executive Non-Independent Director was appointed and the Board comprised of nine directors. The directors of the Company have confirmed that they do not serve as Independent Director in more than seven listed Companies or in case they are serving as a whole-time director in any listed Company, do not hold such position in more than three listed Companies, in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

The table below provides the information of the Board of Directors required under Regulation 17 of the SEBI Listing Regulations, as at March 31, 2026:

Name of the Directors	Category	No. of shares held in the Company	Directorship in other companies ²		Membership and Chairpersonship of the Committees of the Board of other companies ³	
			Number	Names of listed entities along with the category	Chairperson	Member
Dr. Davuluri Rama Mohan Rao ¹ DIN : 00107737	Non-Independent, Executive, Promoter	2,09,300	1	-	-	-
Mr. Davuluri Sucheth Rao ¹ DIN : 00108880		2,57,969	1	-	-	-
Mr. Davuluri Saharsh Rao ¹ DIN : 02753145		1,95,125	-	-	-	-
Mr. Homi Rustam Khusrokhhan DIN:00005085	Independent, Non-Executive	-	2	Strides Pharma Science Limited (Non-Executive Independent Director)	1	1
Mr. Prasad Raghava Menon DIN:00005078		80	2	Data Patterns (India) Limited (Non-Executive Independent Director) Chemplast Sanmar Limited (Non-Executive Independent Director)	-	2

Name of the Directors	Category	No. of shares held in the Company	Directorship in other companies ²		Membership and Chairpersonship of the Committees of the Board of other companies ³	
			Number	Names of listed entities along with the category	Chairperson	Member
Mr. Sugata Sircar DIN:01119161	Independent, Non-Executive	-	-	-	-	-
Ms. Pallavi Joshi Bakhru DIN: 01526618		-	6	Gabriel India Ltd (Non-Executive Independent Director) Hindustan Zinc Limited (Non-Executive Independent Director) Vedanta Ltd (Non-Executive Independent Director)	3	5
Dr. Ravi Shankar Gopinath ⁴ DIN: 00803847		-	1	Thermax Ltd (Non-Executive Independent Director)	-	-

¹Dr. Davuluri Rama Mohan Rao, Mr. Davuluri Sucheth Rao and Mr. Davuluri Saharsh Rao are related to each other

²Includes directorship in Private Limited companies; excludes directorship in Foreign Companies

³Only Membership / Chairmanship in Audit and Stakeholders Relationship Committee are considered

⁴Appointed as a Director with effect from August 1, 2025

Selection criteria of Board Members

The Nomination and Remuneration Committee in accordance with the Company’s Policy for determining the qualifications, positive attributes and independence of a director and the requirements of the skill-sets on the Board considers eminent persons having an independent standing in their respective fields and who can effectively contribute to the Company’s business, for appointment of new directors on the Board. The Policy for determining the qualifications, positive attributes and independence of a director is available on the website of the Company at <https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/criteria-for-determining-qualifications-positive-attributes-and-independence-of-a-director.pdf>

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. The Company has adopted guidelines on the selection criteria of Board members, which is available on the website of the Company at <https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/criteria-for-determining-qualifications-positive-attributes-and-independence-of-a-director.pdf>

Board Meetings and Processes

The Board meets at regular intervals through a structured annual calendar and additional meetings, as required, with proper quorum and statutory compliance. The agenda is clearly structured to distinguish items for approval and for noting, enabling focused deliberations.

The Board reviews financial performance, compliance reports, enterprise risk management, ESG progress, and audit findings. Periodic presentations by senior management and auditors enable comprehensive understanding of business, risk, and regulatory environment.

No Permanent Board Seat

Effective April 1, 2024, SEBI has amended the SEBI Listing Regulations to require shareholder approval for a director's continuation on the Board at least once every five years from the date of their appointment or re-appointment.

As of March 31, 2026, no directors held permanent board seats. All directors were either serving fixed terms not exceeding five years and/or were subject to retirement by rotation at least once every two years.

Independent Directors

Your Company's Independent Directors are renowned people having expertise/experience in their respective field/

profession. None of the Independent Directors are Promoters or related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company. None of the Independent Directors of the Company is a non-Independent Director of another Company on the Board of which any non-Independent Director of the listed entity is an Independent Director.

In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Companies Act, 2013 (the Act), including amendments thereunder, SEBI Listing Regulations and are independent of the management.

Pursuant to Section 150 of the Act, read with of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 your Company’s Independent Directors have registered themselves on the portal of “Indian Institute of Corporate Affairs” as Independent Director, within the prescribed timelines.

Familiarization Program of Independent Directors

The Independent Directors of the Company are eminent personalities having wide experience in the field of business, finance, pharmaceutical industry, research & development, taxation, administration and general management. Their presence on the Board has been invaluable in facilitating prudent business decisions. The directors appointed by the Board are given induction and orientation with respect to the Company’s vision, strategic direction, core values, including ethics, corporate governance practices, sustainability, risk management framework, financial matters and business operations on a one-to-one basis. Dr. Ravi Shankar Gopinath, Independent Director, visited the manufacturing facilities of the Company, had meetings with the whole-time directors and senior management for an overview of the operations of the Units and understanding the Company’s business.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy, environmental, social and governance matters, etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors. In addition to the above, the Company organised three separate sessions on environment, artificial intelligence and technological advancements to the directors.

The Company has a familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc., and the same is available on the website of the Company at https://www.neulandlabs.com/sites/neulandlabs/files/neuland-labs/Investors/corporate-governance/policies-and-documents/FY25_FamiliarizationProgrammeforIndependentDirectors.pdf

Codes / Policies

The Company has various codes and policies in place to carry out the business and ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Some of the codes and policies are:

- Code of Ethical Conduct
- Code of Conduct for Board members and Senior Management Personnel
- Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate relatives
- Policy for determining the qualifications, positive attributes and independence of director
- Terms of appointment of Independent Directors
- Vigil Mechanism / Whistle Blower Policy
- Development and Succession Planning
- Guidelines for Evaluation of Board and Committees
- Policy for determining Material Subsidiaries
- Related Party Transaction Policy
- Material Events Policy
- Preservation of Documents Policy
- Dividend Distribution Policy
- Corporate Social Responsibility Policy
- Nomination and Remuneration Policy including Board Diversity
- Risk Management Policy
- Supplier Code of Conduct
- Anti-Bribery, Anti-Corruption and Anti-Money Laundering Policy

Board Meetings held during the financial year ended March 31, 2026

During the year, the Board met nine times on 4th April 2025, 15th May 2025, 31st July 2025, 19th September 2025, 23rd September 2025, 7th November 2025, 28th November 2025, 9th February 2026 & 10th February 2026. The Board members were either present in person or through video conference for the meetings of the Board and its Committees. The necessary quorum was present, either in person or by means of video conference, for all the meetings of the Board and its Committees. The maximum gap between any two Board Meetings was less than one hundred and twenty days. Every director shall attend at least one Board meeting in a financial year, as per the Board Charter. For the year, the minimum attendance requirement was 11.11% since nine board meetings were held. The average board attendance during the year was 93.67%. Details of attendance of individual directors are provided below:

Name of the Director	Meetings held during the Year	Meetings attended	% of attendance
Dr. Davuluri Rama Mohan Rao	9	9	100
Mr. Davuluri Sucheth Rao	9	9	100
Mr. Davuluri Saharsh Rao	9	9	100
Dr. Christopher M. Cimarusti ¹	9	7	77.77
Dr. Nirmala Murthy ²	1	1	100
Mr. Homi Rustam Khusrokhan	9	9	100
Mr. Prasad Raghava Menon	9	7	77.77
Mr. Sugata Sircar	9	9	100
Ms. Pallavi Joshi Bakhru	9	9	100
Dr. Ravi Gopinath ³	6	5	83.33

¹Ceased to be director due to his demise on February 28, 2026

²Ceased to be a Director upon completion of second term on May 7, 2025

³Appointed as a Director with effect from August 1, 2025

All the members of the Board of Directors attended the last Annual General Meeting (“AGM”) of the Company held on July 30, 2025, through video conference/other audio-visual means (“VC/OAVM”).

Meetings of Independent Directors and Auditor Interaction

During the year under review, a separate meeting of the Independent Directors of the Company was held on February 10, 2026, without the presence of non-Independent Directors and members of the management. All the independent directors attended the meeting. The whole-time directors provide response on the action taken on the guidance received from the Independent Directors to the Board members.

Further, the Independent Directors had separate meetings with the auditors of the Company on February 9, 2026. The Statutory Auditors, the Secretarial Auditors and the Internal Auditors met them without the presence of non-Independent Directors and members of the management.

Non-Executive Directors’ compensation and disclosures

The commission to the non-Executive Directors (including Independent Directors) is decided by the Board in accordance with the approval of the members in a General

Meeting, and the sitting fee and commission are within the limits prescribed under the Act.

Board Procedures

The Board and Audit Committee meetings are scheduled well in advance, and an annual calendar of these meetings is shared with the Directors well ahead of time. This allows them to plan their schedules and ensures meaningful participation in the meetings. Additional meetings are convened as needed. The Company provides video conference facilities to facilitate remote participation, minimising the absence of the directors whenever possible.

For special and urgent business matters, the Board or Committee(s) approval is obtained through resolutions circulated among the members, as permitted by law. Such resolutions are taken on record in the subsequent Board or Committee meeting.

To facilitate effective discussions during Board or Committee meetings, the agenda is divided into items requiring approval and items for noting. Any clarifications or queries related to items to be taken on record by the Board or Committee are addressed beforehand, ensuring focused and productive discussions during the meetings. The Board reviews the performance of the Company including the Company’s quarterly performance, financial results,

subsidiary’s financials, compliance reports, fund position, unclaimed dividend status, foreign currency position, capital expenditure, Enterprise Risk Management, progress on ESG journey and such other matters as required by the Act, SEBI Listing Regulations, and other applicable laws.

All the non-executive directors have unrestricted access to the members of the senior management team for seeking inputs and clarifications, if any.

On an annual basis, the Board also reviews the overall strategy and approves annual capital expenditure and operating budgets and business plans. It offers guidance and strategic direction to the Management, considering domestic and international economic developments, sectoral changes, competition, and government regulations.

Information Flow and Board Enablement

The Company ensures structured and timely flow of information to the Board through secure digital platforms, enabling accessibility, confidentiality, and efficiency in decision-making. Independent Directors have unrestricted access to the leadership team for clarifications and deeper

engagement on business matters, supporting effective oversight and informed decision-making.

The Company Secretary plays a key role in facilitating effective governance by supporting the Board and its Committees in the discharge of their responsibilities. This includes advising on governance and regulatory matters, ensuring adherence to statutory requirements and Secretarial Standards, and enabling structured and timely information flows for informed decision-making. The Company Secretary also acts as a vital link between the Board, management, and regulators, supporting the integrity of governance processes and enhancing overall Board effectiveness.

Post-meeting follow-up mechanism

The company’s governance procedures encompass follow-up, evaluation, and reporting mechanism for post-meeting action reports and pending discussions for the Board and its Committees. The Board and its committees monitor the progress made on their decisions through the Action Taken Report.

Board Skills / expertise / competencies

Your Board aims to be comprised of directors with the appropriate mix of skills, experience, expertise and diversity relevant to the Company’s business and the Board’s responsibilities. The skills matrix adopted by the Board vis-a-vis the skills/ expertise/ competencies of respective directors are as under:

Board Competency Matrix										
Board of Directors	Industry expertise (Pharmaceutical Industry / Chemical Manufacturing and Development)	Executive leadership and Board experience	Expertise in financial matters	Corporate Governance	Strategy & Risk Management	Health, safety, environment and sustainability	Information Technology & Digital	M&A/ Capital Markets	Sales, Marketing and Market Strategy	Cyber Security
Dr. Davuluri Rama Mohan Rao	☑	☑	☑	☑	☑	☑	☑	☑	☑	☒
Mr. Davuluri Sucheth Rao	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Mr. Davuluri Saharsh Rao	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Mr. Homi Rustam Khusrokhan	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Mr. Prasad Raghava Menon	☑	☑	☑	☑	☑	☑	☑	☒	☒	☒
Mr. Sugata Sircar	☑	☑	☑	☑	☑	☑	☑	☒	☑	☒
Ms. Pallavi Joshi Bakhru	☒	☑	☑	☑	☑	☑	☑	☑	☑	☑
Dr. Ravi Gopinath	☑*	☑	☑	☑	☑	☑*	☑	☑	☑	☑
Dr. Mauricio Futran	☑	☒	☒	☒	☑	☑	☑	☒	☒	☒

*Partial

The current composition of your Company's Board includes directors with core industry experience and key skills and experience as set out above. There are further disclosures in the director's biographies on pages 30 to 33 which outline the extensive leadership, governance, strategy and financial experience of the members of the Board, which are considered appropriate for the Company's circumstances.

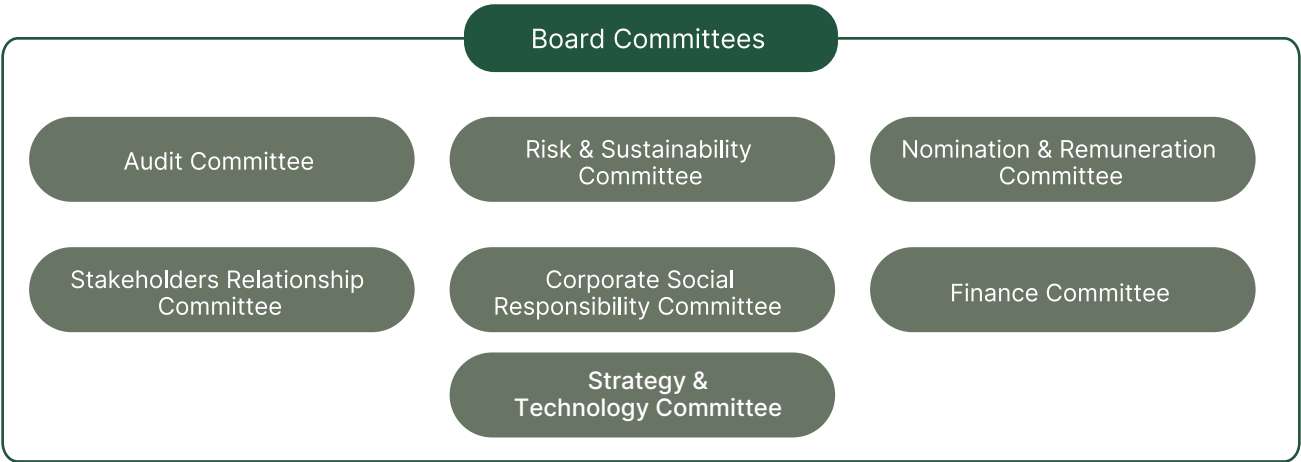
Particulars of Senior Management and changes therein since the close of the previous financial year

Name	Designation	Changes if any, since the previous financial year (Yes / No)	Nature of Change and effective date
Mr. Y Sudheer	Sr. Vice President-Global API Sales	No	-
Mr. N Sundar	Chief Procurement Officer	No	-
Mr. Hemchandra Peruvelli	Chief Human Resources Officer	No	-
Mr. Abhijit Majumdar	Chief Financial Officer	No	-
Mr. Sarada Bhamidipati	Company Secretary and Compliance Officer	No	-
Mr. Sharadsrikar Venkatesan Kotturi	Chief Scientific Officer	No	-
Mr. Ashutosh Kumar Sinha	Chief Quality Officer	No	-
Mr. Parag Dilip Deshmukh	Senior Vice President – Production	No	-

1. COMMITTEES OF THE BOARD

The Board Committees have been constituted to address specific areas or activities as required under the applicable rules and regulations or as delegated by the Board.

The Committees' terms of reference outline their scope, authority, responsibilities, and composition. The minutes of the meetings of all Committees are placed before the Board for its perusal. The Committee Chairpersons update the Board on the discussions and recommendations made by the Committee members. During the year, all recommendations of the Committees of the Board that were mandatorily required to be placed before the Board have been approved by the Board.



a. Audit Committee

The terms of reference of the Audit Committee cover the areas as contemplated under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations, besides other terms as referred by the Board of Directors. The terms of reference include:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed Company;

- c. Approval of payment to statutory auditors for any other services rendered by Statutory auditors;
- d. Reviewing with management, the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on:
 - i. matters required to be included in the Directors Responsibility Statement to be included in the Directors Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgement by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements concerning financial statements;
 - vi. disclosure of any related party transactions; and
 - vii. Modified opinion(s) in draft audit report.
- e. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- f. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purpose other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h. Approval or any subsequent modification of transactions of the Company with related parties;
- i. Scrutiny of inter-corporate loans and investments;
- j. Valuation of undertakings or assets of the Company, wherever it is necessary;
- k. Evaluation of internal financial controls and risk management systems;
- l. Reviewing with the management, performance of statutory and internal auditors, the adequacy and compliance of internal control systems;
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n. Discussion with internal auditors any significant findings and follow up thereon;
- o. Reviewing the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- r. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- s. Authority to investigate into any matter in relation to the items specified in subsection

- (4) of Section 177 of the Companies Act 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- t. Appointment of registered valuers;
- u. Reviewing the reports/certificates placed before it, as mandated by the statutory authorities or as required under policies framed by the Company from time to time;
- v. Ascertaining and ensuring that the Company has an adequate and functional vigil mechanism and for ensuring that the interest of a person, who uses such a mechanism, are not prejudicially affected on account of such use, as and when applicable and reviewing the functioning of whistle blower mechanism;
- w. Review compliance with provisions of SEBI (Prohibition of Insider Trading Regulations, 2015, and verify that the internal controls systems for ensuring compliance with these regulations are adequate and effective; and
- x. Any other matters/authorities/responsibilities / powers assigned as per Companies Act 2013 and Rules made thereunder and SEBI Regulations, as amended from time to time.

The Audit Committee diligently reviews a range of information, including internal audit reports related to internal processes and controls, management analysis of financial condition and results of operations, audit reports, related party transactions and approvals, as well as the reports and certificates placed before it. This encompasses statutory compliance reports and other reports such as compliance with insider trading and whistle blower mechanism, the appointment of auditors and such other matters as prescribed from time to time.

The Audit Committee presently comprises of four Independent Directors and the Chairman of the Audit Committee is an Independent Director. All members of the Audit Committee are independent

directors and financially literate, with majority of the members having financial management expertise by virtue of their experience and background.

During the year, the Committee met four times on 15th May 2025, 31st July 2025, 7th November 2025 & 9th February 2026:

Name of Member	Meetings held during the Year	Meetings attended	% of attendance
Mr. Homi Rustam Khusrokhan, Chairperson	4	4	100
Mr. Sugata Sircar	4	4	100
Ms. Pallavi Bakhru	4	4	100
Mr. Prasad Menon	4	4	100

The maximum gap between any two meetings was less than one hundred and twenty days. The Company Secretary acts as the Secretary of the Audit Committee. The Executive Chairman, Whole Time Directors, the Statutory Auditor, the Internal Auditor, other Independent Directors and Management Team, as may be necessary, are also invited to the meetings of the Audit Committee.

b. **Nomination and Remuneration Committee**

The terms of reference of the Nomination and Remuneration Committee cover the areas as contemplated under Section 178 of the Act and Regulation 19 of SEBI Listing Regulations, besides other terms as referred to it by the Board of Directors, and include formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on diversity of Board of Directors; identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down; and recommending to the Board their appointment, removal and noting their cessation; recommending to the Board on extension or

continuation of the terms of appointment of the Independent Directors; administering employee stock option schemes of the Company, if any; and carrying out any other function as may be referred by the Board from time to time or required by any statutory notification / amendment or modification as may be applicable.

The Nomination and Remuneration Committee consists of three non-Executive Independent Directors. During the year, the Committee met thrice on 12th May 2025, 22nd July 2025 & 23rd September 2025:

Name of Director	Meetings held during the Year	Meetings attended	% of attendance
Mr. Homi Rustam Khusrokhan, Chairperson	3	3	100
Mr. Prasad Menon	3	3	100
Ms. Pallavi Bakhru	3	3	100

Board Evaluation

The Company has a structured process to evaluate the effectiveness of the Board, its Committees, and each Director, including the Chairman. The evaluations are confidential, and Directors provide feedback through ratings on various metrics, including attendance, expertise mix, relevance of experience, participation, and overall contribution during meetings and other relevant interactions. For the year under review, the Board has undertaken an annual self-assessment to enhance its effectiveness and that of its committees pursuant to the Act and SEBI Listing Regulations. During their separate meeting, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole, and the Chairman, considering the views of other Directors. The Board also reviewed succession planning, and the quality, quantity, and timeliness of information flow between the Company management and the Board, as may be required by the Board to effectively and reasonably discharge their duties. The guidelines for evaluation of the Board and its Committees are available on the website of the Company at <https://www.neulandlabs.com/en/investors/corporate-governance/policies-and-documents>.

The overall performance evaluation exercise was completed to the satisfaction of the Board. The outcome of the evaluation was presented to the Board and key outcomes, and actionable areas identified would be acted upon.

The Board Committees were also found to be effective in terms of their composition, functioning and contribution and the Board would engage further on the areas identified for action.

Succession Planning

The Board assesses the contributions of its members and recommends their reappointment if deemed appropriate upon the expiration of their respective tenures. The Company recognises that succession planning is crucial for ensuring the Company's continuity and sustainability. It actively strives to maintain a well-balanced blend of skills and experience within the organisation and the Board, aiming to introduce fresh perspectives while retaining experience and continuity. The Company has established a Policy for the Appointment of Independent Directors to the Board. This policy outlines the process to be followed for appointing Independent Director(s), including criteria for shortlisting candidates and essential attributes.

Prior to appointing an Independent Director, the Nomination and Remuneration Committee assesses the combination of skills, knowledge, and experience present on the Board. Based on this evaluation, it formulates a detailed description outlining the role and essential capabilities expected of an Independent Director. Subsequently, the NRC reviews the profile of potential candidates, engages in interactions with them, and ultimately selects the most suitable candidate for appointment.

The Board, with the assistance of the Nomination and Remuneration Committee and working with the Executive Council and the Human Resources Department, appoints senior management and oversees senior management development and corporate succession plans to ensure continuity in senior management.

Remuneration Policy

The Nomination and Remuneration policy of your Company is a comprehensive policy that is competitive, in line with the industry practices

and aimed to reward good performance of the employees of the Company. The policy is enclosed as Annexure-1 to this report and is also available on the website of the Company at <https://www.neulandlabs.com/en/investors/corporate-governance/policies-and-documents>.

The objective and broad framework of the Nomination and Remuneration policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, and growth. It aims to provide to Key Managerial Personnel and Senior Management with rewards linked to their effort, performance, dedication, and achievements relating to the Company's operations.

Directors' Remuneration

The details of remuneration paid or payable to the Directors for the financial year ended March 31, 2026, are as under:

(Amount in ₹ lacs)					
Name of Director	Salary	Perquisites and other benefits ¹	Commission ²	Sitting fee	Total
Dr. Davuluri Rama Mohan Rao ³	506.71	93.29	867.00	N.A.	1,467.00
Mr. Davuluri Sucheth Rao ³	506.81	93.19	780.00	N.A.	1,380.00
Mr. Davuluri Saharsh Rao ³	506.81	93.19	780.00	N.A.	1,380.00
Dr. Nirmala Murthy ⁴	N.A.	N.A.	-	0.5	0.5
Dr. Christopher M. Cimarusti ⁵	N.A.	N.A.	35.00	3.5	38.50
Mr. Homi Rustam Khusrokhan	N.A.	N.A.	35.00	7.9	42.90
Mr. Prasad Raghava Menon	N.A.	N.A.	35.00	7.3	42.30
Mr. Sugata Sircar	N.A.	N.A.	35.00	6.7	41.70
Ms. Pallavi Joshi Bakhru	N.A.	N.A.	35.00	8.1	43.10
Dr. Ravi Gopinath ⁶	N.A.	N.A.	35.00	2.7	37.70

¹Perquisites and other benefits include Provident Fund

²Commission will be paid post approval of financial statements by the shareholders of the Company in the ensuing Annual General Meeting

³Tenure of office of the Whole Time Directors is for a term of five years from the date of appointment and can be terminated by either the Company or such directors by giving 12 months' notice in advance or salary in lieu thereof

⁴Ceased to be a Director upon completion of second term on May 7, 2025

⁵Ceased to be a director due to his demise on February 28, 2026

⁶Appointed as Independent Director with effect from August 1, 2025

The Company has not provided any stock options to its directors.

During the FY 2025-26, the non-executive directors were paid a Sitting fee of ₹ 50,000 for attending each meeting of the Board and Audit Committee and ₹ 20,000 for attending each meeting of the Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk and Sustainability Committee,

Your Company strives to attract, retain, develop and motivate a high-performance workforce. Your Company follows a compensation mix of fixed and variable pay at certain levels. Individual performance pay is determined by business performance and the performance of the individuals as assessed through the annual appraisal process.

The Nomination and Remuneration policy for managerial personnel is primarily based on the Company's performance, the performance and potential of individual managers, and the external competitive environment.

Finance Committee and Stakeholder Relationship Committee. The Independent Directors were paid a fee of ₹ 20,000 each, for the separate meeting of the Independent Directors. No sitting fees is paid to the Whole Time Directors of the Company. Dr. D.R. Rao and Mr. Davuluri Sucheth Rao have not received any remuneration or commission from any of the subsidiary companies.

c. Risk and Sustainability Committee

To further strengthen its commitment and enhance the Board's oversight on sustainability and Environmental, Social and Governance ("ESG") matters, the Board of Directors expanded the scope of the Risk Management Committee. This expansion includes sustainability and ESG-related matters within the Committee's purview, resulting in the renaming the Committee as the Risk and Sustainability Committee.

The terms of reference of the Committee cover (a) formulating a detailed risk management policy which includes a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks, or any other risk as may be determined by the Committee; measures for risk mitigation; systems and processes for internal control of identified risks; a Business continuity plan, which is integrated with the Company's ERM (Enterprise Risk Management) program; (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; (c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; (d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity; (e) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken; (f) To review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any; (g) To review the sustainability and other environment, social and governance related vision & goals of the Company on an ongoing basis; (h) To review and provide oversight over the Company's programs, policies, practices, and strategies related to sustainability; (i) To review sustainability and ESG disclosures; and (j) To act as a nodal committee for guidance on sustainability and overall ESG goals and to review and monitor progress and all other matters incidental thereto.

During the year under review, the Committee met thrice on 12th May 2025, 30th July 2025 & 2nd February 2026:

Composition and Attendance

Name of Director	Meetings held during the Year	Meetings attended	% of attendance
Mr. Prasad Raghava Menon, Chairperson	3	3	100
Mr. Homi Rustam Khusrokhan	3	3	100
Mr. Davuluri Sucheth Rao	3	3	100
Mr. Davuluri Saharsh Rao	3	3	100
Dr. Ravi Gopinath ¹	-	-	-

¹Appointed as Member of the Committee with effect from February 10, 2026

The maximum gap between any two committee meeting was less than two hundred and ten days.

d. Stakeholders Relationship Committee

The terms of reference of the Committee include the review of matters pertaining to transfer/ transmission of shares, issue of duplicate certificates, review of shares dematerialised and all other related matters; resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.; review of measures taken for effective exercise of voting rights by members; review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the members of the Company; and carrying out any other function as may be referred by the Board from time to time or required by any statutory notification/ amendment or modification as may be applicable.

During the year under review, the Committee met twice on 12th May 2025 & 9th February 2026:

Composition and Attendance

Name of Director	Meetings held during the Year	Meetings attended	% of attendance
Ms. Pallavi Bakhru, Chairperson	2	2	100
Mr. Davuluri Sucheth Rao	2	2	100
Mr. Davuluri Saharsh Rao	2	2	100

The company promptly addresses investor grievances and correspondence, typically responding within the specified timeframes.

During the FY 2025-26, the Company has received 4 complaints from a members/ stock exchanges/ SEBI relating to name correction, issue of duplicate share certificates/issue of entitlement letter, and status of shareholding. The complaints received were duly attended to, and the Company has furnished the necessary information to the complainant(s). There were no complaints pending as on March 31, 2026. All the complaints have been disposed of to the satisfaction of the complainant(s).

e. Corporate Social Responsibility Committee

The Committee oversees, inter-alia, corporate social responsibility and other related matters as may be referred to it by the Board of Directors and discharges the roles prescribed under Section 135 of the Act, which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company in conformity with Schedule VII of the Act and the Rules thereof; recommending the amount of expenditure to be incurred; monitoring the CSR Policy of the Company; recommending to the Board an annual CSR action plan delineating the CSR projects or programs to be undertaken during the financial year; and appoint an independent agency/firm to carry out impact assessment study, if any.

2. GENERAL BODY MEETINGS

The last three Annual General Meetings (AGM) details are given herein below:

Year	Date	Day	Time	Venue
2023	July 27, 2023	Thursday	11:00 a.m.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")
2024	July 31, 2024	Wednesday	10:00 a.m.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")
2025	July 30, 2025	Wednesday	10:00 a.m.	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")

During the year under review, the Committee met twice on 15th May 2025 & 9th February 2026:

Composition and Attendance

Name of Director	Meetings held during the Year	Meetings attended	% of attendance
Mr. Prasad Raghava Menon, Chairperson ¹	2	2	100
Dr. Davuluri Rama Mohan Rao	2	2	100
Mr. Davuluri Sucheth Rao	2	2	100
Mr. Davuluri Saharsh Rao	2	2	100
Ms. Pallavi Bakhru	2	2	100

¹Appointed as Chairperson of the Committee with effect from May 8, 2025

e. Finance Committee

The Finance Committee was constituted, inter alia, for the purpose of approving credit facilities sanctioned by lenders from time to time and meets as and when required. There was no business requirement to hold a meeting of the Finance Committee during the year.

f. Strategy and Technology Committee

In May 2026, the Board further strengthened its governance framework by constituting a Strategy & Technology Committee to provide focused oversight of the Company's strategic plan through periodic reviews , evaluation of strategic proposals and make recommendations to the Board.

Compliance officer

The Company Secretary is the Compliance Officer for complying with the requirements of the Securities Laws, Listing Agreements with the Stock Exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has an oversight on the statutory compliances. She acts as the Secretary to all the Board committees.

Special Resolutions passed at the last three AGMs

Date of AGM	July 27, 2023	July 31, 2024	July 30, 2025
Item	a. To appoint a Director in place of Dr. Christopher M. Cimarusti (DIN: 02872948) who retires by rotation and, being eligible, offers himself for re-appointment. b. To adopt a new set of Articles of Association of the Company as per the Companies Act, 2013. c. Re-appointment of Mr. Davuluri Sucheth Rao (DIN: 00108880), as Whole Time Director, designated as Vice Chairman & Chief Executive Officer d. Appointment of Mr. Sugata Sircar (DIN: 01119161), as an Independent Director of the Company e. Appointment of Ms. Pallavi Bhakru (DIN: 01526618), as an Independent Director of the Company f. Continuation of directorship of Mrs. Bharati Rao (DIN: 01892516), as Non-Executive Independent Director on attaining the age of 75 years g. Re-appointment of Mr. Homi Rustam Khusrokhan (DIN: 00005085), as an Independent Director of the Company for a further period of five years h. Re-appointment of Dr. Davuluri Rama Mohan Rao (DIN: 00107737), as Whole Time Director, designated as Executive Chairman. i. Revision in remuneration payable to Mr. Davuluri Saharsh Rao (DIN: 02753145), Whole Time Director, designated as Vice Chairman & Managing Director	-	a. To appoint a Director in place of Dr. Christopher M. Cimarusti (DIN: 02872948) who retires by rotation and, being eligible, offers himself for re-appointment. b. Re- appointment of Mr. Davuluri Saharsh Rao (DIN: 02753145), as Whole Time Director, designated as Vice Chairman & Managing Director.

No Extraordinary General Meeting of the members was held during the FY 2025-26.

Postal Ballot

During the year under review, the members of the Company by way of special resolutions approved the following through postal ballots dated July 31, 2025 & September 23, 2025 respectively, pursuant to Section 108 and other applicable provisions of the Act, read together with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time.

A. Postal Ballot dated July 31, 2025

Resolution No. 1: To approve the appointment of Dr. Ravi Shankar Gopinath (DIN: 00803847), as an Independent Director of the Company.

Mr. Mohit Kumar Goyal, Partner, Hanumanta Raju & Co., Practicing Company Secretaries, was appointed as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner, wherein the said resolution as proposed was passed as a Special Resolution. Pursuant to the General Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively read with other relevant circulars, including General Circular No. 09/2024 dated September 19, 2024, (collectively referred to as the "MCA Circulars"), the above resolution was passed through postal ballot only by remote e-voting. The voting results of the Postal Ballot were declared on September 26, 2025. The details of voting through the Postal Ballot process are as under:

Resolution No.	Number of votes polled	No. of votes polled in favour		No. of votes polled against		No. of Invalid votes	
		Favour	%	Against	%	Invalid	%
1	79,97,140	79,96,901	99.99	239	0.01	-	-

B. Postal Ballot dated September 23, 2025

Resolution No.1: Re-designation of Mr. Davuluri Sucheth Rao (DIN: 00108880) as Executive Vice Chairman.

Resolution No.2: Re-designation of Mr. Davuluri Saharsh Rao (DIN: 02753145) as Chief Executive Officer & Managing Director.

Ms. Shaik Razia, Partner, Hanumanta Raju & Co., Practicing Company Secretaries, was appointed as Scrutinizer to conduct the Postal Ballot process

in a fair and transparent manner, wherein the said resolutions as proposed were passed as Special Resolutions. Pursuant to the General Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively read with other relevant circulars, including General Circular No. 03/2025 dated September 22, 2025, (collectively referred to as the “MCA Circulars”), the above resolutions were passed through postal ballot only by remote e-voting. The voting results of the Postal Ballot were declared on November 5, 2025. The details of voting through the Postal Ballot process are as under:

Resolution No.	Number of votes polled	No. of votes polled in favour		No. of votes polled against		No. of Invalid votes	
		Favour	%	Against	%	Invalid	%
1	72,39,751	72,39,738	100	13	0.00	-	-
2	72,39,647	72,39,634	100	13	0.00	-	-

1. Information in respect of the Directors seeking appointment/re-appointment, as required by Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meetings in the explanatory statement to the notice of the 42nd Annual General Meeting, being sent to the shareholders as a separate document, along with the Integrated Annual Report for FY 2025-26 and also available at [42nd AGM Notice](#).

2. Disclosures

a. Related Party Transactions

During the year under review, the Company had no materially significant related party transactions, which is considered to have potential conflict with the interests of the Company at large. All related party transactions are negotiated on an arms-length basis and are intended to further the Company’s interests. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 38 of Standalone Financial Statements, forming part of the Annual Report. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policy is available on the Company’s website at <https://www.neulandlabs.com/en/investors/corporate-governance/policies-and-documents>

No loans or advances, in the nature of debt, were given to the directors or firms or companies in which directors of the Company are interested.

b. The equity shares of the Company are listed on BSE and NSE and no penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years. A report on the compliance with the applicable laws for the Company is placed before the Board on a quarterly basis for its review and consideration.

c. Whistle Blower Policy

The Company is committed to the highest standards of ethical, moral and legal business conduct. Your Company has a Whistle Blower Policy, which is available on the Company’s website at <https://www.neulandlabs.com/en/investors/corporate-governance/policies-and-documents>. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and 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 have been denied access to the Audit Committee. Further, no complaints have been received under the Whistle Blower Policy.

d. Reconciliation of share capital audit

The Company has engaged a practicing Company Secretary to carry out the share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued, and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL, including shares forfeited by the Company. Copies of these reports are available on the website of the Stock Exchanges where the Company’s shares are listed.

The reconciliation of share capital audit report is filed with both the stock exchanges (NSE and BSE) on a quarterly basis within the prescribed time limit and the same is also placed before the Board.

e. Code of Conduct for Board Members and Senior Management Personnel

The Company has a Code of Conduct for Directors and Senior Management of the Company and has received affirmations from the directors and senior management regarding compliance with the Code for the year ended March 31, 2026. A certificate from the Chief Executive Officer & Managing Director to this effect is attached to this Report.

f. Code of Conduct for Suppliers

The Company is committed to conducting business with entities and individuals who uphold professionalism and integrity in their operations and strives to collaborate with supply chain partners who place a high value on sustainability and prioritise Environmental, Social and Governance (ESG) factors. The Company has established a Supplier Code of Conduct, applicable to organisations or individuals supplying services, raw materials, components, intermediates, finished goods or any other products.

g. Allotment of shares

During the year under review, the Company has not made any allotment of shares.

h. Accounting treatment

The financial statements of the Company have been prepared in accordance with the Indian

Accounting Standard (Ind AS), notified under the Companies (Indian Accounting Standard) Rules, 2015 and the relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention.

i. Non-Executive Directors’ compensation and disclosures

The sitting fees and commission paid / payable to the non-Executive Directors (including Independent Directors) forms part of this report. Since all the members of the Nomination and Remuneration Committee, being independent directors, are deemed to be interested in the matter of commission to the non-Executive Directors, the commission payable will be decided by the Board in accordance with the approval of the members in a General Meeting. The sitting fee paid, and commission payable are within the limits prescribed under the Act. Except for the above, the non-Executive Directors and the Independent Directors of the Company had no pecuniary relationship or transactions with the Company.

j. Code of Conduct for Prevention of Insider Trading

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, your Company has in place a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives (Insider Trading Code). The disclosures, if any, received pursuant to this Code and the regulations are disseminated to the Stock Exchanges within the prescribed timelines and a report on compliance is duly placed before the respective Audit Committee and Board Meetings. The Company takes several measures to familiarise and sensitise its employees with the provisions and various aspects of the Insider Trading Code, including periodic circulation of informative emails on Prevention of Insider Trading, Do’s and Don’ts, Trading Window closure notifications, and providing clarifications to the designated persons as and when required. The management also conducted training sessions for the Designated Employees to create awareness of various aspects of the Company’s Insider Trading Code and the SEBI Insider Trading Regulations and to ensure that the internal controls are adequate and effective in ensuring compliance.

These activities have created awareness among the Designated Persons. The Audit Committee is provided a quarterly update on the status of compliance with the provisions of the SEBI Insider Trading Regulations.

k. Anti-Bribery, Anti-Corruption and Anti-Money Laundering

Your Company is committed to conducting its business ethically while maintaining the highest level of professional and ethical standards. In line with this commitment, the Company has in place an Anti-Bribery and Anti-Corruption (ABAC) & Anti-Money Laundering (AML) Policy that outlines the Company's stance and exhibits our commitment to meet ABAC and AML requirements. The Policy is aimed at providing guidance to all stakeholders on compliance with the applicable laws and regulations.

l. Statutory Compliance Monitoring System

The company has a robust process and dedicated team in place to ensure timely updates on adherence to applicable legal compliances, using a customised web-based program that provides a centralised monitoring and tracking mechanism. The Company also has a mechanism in place for timely updates of new compliances arising from regulatory changes, in consultation with the respective functions. The Board is provided with a status update on adherence to the compliances generated from the software, on a quarterly basis.

m. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013

Your Company is committed to creating a workplace that fosters diversity, equality, mutual trust and equal opportunity anchored by a deep respect for human rights. In line with this commitment and in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, the Rules made thereunder, the Company has established a gender-neutral policy aimed at upholding the safety and dignity of all employees, ensuring a respectful and secure work environment. The Company has adhered to the required provisions by establishing an Internal Committee, which includes both internal members and an external member with extensive experience in the field, to ensure compliance and address relevant matters. Additionally, the policy provides

protection for contract workers, probationers, temporary employees, trainees, apprentices of the Company, and any person visiting the Company's office. The Company has established an effective mechanism to address complaints of sexual harassment in the workplace.

The Company conducts online and offline awareness sessions and refresher programs at least once a year, ensuring employees understand and acknowledge the Policy. Additionally, the induction program for new joiners includes training on this Policy, and their understanding is assessed. A separate program is conducted for Committee members by an external trainer to enhance their understanding of current trends and best practices in governance and compliance.

Zero complaints of sexual harassment were received during the FY 2025-26.

n. Compliance Certificate on Corporate Governance

Your Company submits a compliance report on Corporate Governance to both the stock exchanges (NSE and BSE) within the stipulated timelines. These reports are also placed before the Board in the respective meetings. Pursuant to the Schedule V of the SEBI Listing Regulations, a certificate from a Practicing Company Secretary on Corporate Governance is annexed to this Integrated Annual Report.

Secretarial Compliance Report

Regulation 24A of the Listing Regulations, mandates that listed entities conduct an Annual Secretarial Compliance Audit by a Secretarial Auditor of the Company to ensure adherence to all applicable SEBI Regulations and circulars/guidelines issued thereunder. In addition to the Secretarial Audit Report under Form No. MR3, a Secretarial Compliance Report is required to be submitted to the Stock Exchanges within 60 days from the end of the financial year. The Company has appointed M/s. P.S.Rao & Associates, Company Secretaries, as Secretarial Auditor of the Company. On a voluntary basis, the Company is publishing the Secretarial Compliance Report, which has been annexed to this Integrated Annual Report.

Certificate of non-disqualification of directors

A certificate, as required under Part C of Schedule V of the SEBI Listing Regulations, was received from a Company Secretary in Practice confirming 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 Company by SEBI/MCA or any such statutory authority. This certificate was presented to the Board of Directors at its meeting held on May 12, 2026, and is included as part of this Integrated Annual Report.

o. Disclosure on resignation of Independent Directors

During the year under review, none of the Independent Directors of the Company has resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them, is not applicable.

p. In accordance with the requirements of Regulation 17(9) of the SEBI Listing Regulations, the Risk and Sustainability Committee reviews and updates the Board on the enterprise risk management, including risk assessment and mitigation plans of the Company.

q. The Chief Executive Officer & Managing Director and the Chief Financial Officer have submitted a Certificate to the Board in the prescribed format for the financial year ended March 31, 2026, pursuant to Regulation 17(8) of the SEBI Listing Regulations. The Certificate has been reviewed by the Audit Committee and taken on record by the Board.

r. Secretarial Standards

Your Company's practices and procedures meet the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

s. E-voting

Pursuant to the requirements of the Act and SEBI Listing Regulations, the Company is providing e-voting facility to its members, in respect of all shareholders' resolutions, to be passed at the General Meetings.

t. Commodity price risk or foreign exchange risk and hedging activities

Some of the API products manufactured by the Company may have direct or indirect foreign currency fluctuations/ commodity price risks. The Company does not undertake any hedging activities for the same. However, the Company reviews its product mix with a focus on niche and high margin products to mitigate the commodity price risk. The Company is a net foreign exchange earner and thus faces foreign currency fluctuation risk. The Company tries to minimise the risk through natural hedge via foreign currency liabilities to the extent possible.

u. Management Discussion and Analysis Report forms part of the Director's Report.

v. Statutory Auditor's Fees/Compensation for FY 2025-26

The total fees paid by the Company to the Statutory Auditors for FY 2025-26 is set out in Note No. 28(ii) of the Standalone Financial Statements, forming part of the Annual Report.

w. Disclosure of certain types of agreements binding the Company

No agreement has been entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its subsidiary Company among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

x. Non-Mandatory Requirements

The Company also complies with the following non-mandatory requirements under Regulation 27 of the SEBI Listing Regulations:

- There are no audit qualifications during the year under review.
- The Internal auditors report to the Audit Committee every quarter.

The Company engages in periodic discussions with Institutional Investors and Equity Analysts about its performance. Any presentations made during these meetings and calls are also accessible on the Company’s website at <https://www.neulandlabs.com/en/investors/investor-meetings/investor-presentations>

The Integrated Report has been prepared in accordance with the Integrated Reporting framework issued by International Integrated Reporting Council.

BDO India Services Private Limited has provided Limited assurance for certain statutory and non-financial data covered in this Integrated Report, including metrics and information associated with the Global Reporting Initiative (GRI) framework and related ESG information.

3. Subsidiaries

The Company does not have any material subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary. However, the Company has also formulated a policy for determining the Material Subsidiary and the same is available on the Company’s website at <https://www.neulandlabs.com/en/investors/corporate-governance/policies-and-documents>. The Management provides financials of the subsidiary companies on a quarterly basis and the audited financial statements annually to the Audit Committee and the Board of Directors.

4. Means of Communication

The Company’s website provides information to the members, including financial results, Shareholding Patterns, Registrars & Share Transfer Agents, Board Policies, Corporate Governance Policies and other Codes of the Company, and list of members who have not claimed their dividend to comply with MCA Guidelines. The website covers all major press reports, releases, awards, campaigns etc.

The Company ensures dissemination of applicable information under Regulation 46(2) of the SEBI Listing Regulations on the Company’s website at <https://www.neulandlabs.com/en/investors/disclosures-under-regulation-46-sebi-listing-regulations>.

The Company also interacts with the members through other channels of communication such as publication of results, Annual Report, press releases, investor presentations, Earnings / analyst calls, participation in investor conferences and provides information on the Company’s website.

The Company also informs the Stock Exchanges promptly of all price sensitive information and all such other matters which, in its opinion, are material and relevant for the members, within the stipulated timelines.

Quarterly Results	The results of the Company are published in the newspapers
Newspapers wherein results are normally published	One national (English) business newspaper and in one vernacular (Telugu) newspaper
Any website where displayed	www.neulandlabs.com
Whether it also displays official news releases	Official press releases are sent to the Stock Exchanges and the same is hosted on the website of the Company.
Whether the website displays the presentation made to the institutional investors and to the analysts	Yes

Interaction with the Institutional Investors and Analysts: The Chief Executive Officer & Managing Director, Chief Financial Officer and Head - Corporate Planning & Strategy of the Company meet and interact with the Analysts and Institutional Investors in accordance with the plan created by the IR team and requests received. The schedule of Group meetings and conferences is disseminated to the Stock Exchanges in compliance with the SEBI Listing Regulations.

The discussions are based on publicly available information and no price sensitive information is disclosed by the Company officials.

Reminders to Investors: Reminders are, inter alia, sent to shareholders for registering their PAN, KYC & Nomination details and claiming unclaimed dividend and transfer of shares thereto.

Green Initiatives: In compliance with the provisions of Section 20 of the Act and as a continuing endeavour towards the ‘Go Green’ initiative, the Company proposes to send all correspondence/ communications through email to those shareholders who have registered their email id with their depository participant’s/Company’s RTA.

5. General Shareholders Information

Annual General Meeting

Date, Time and Venue:Forty-Second Annual General Meeting of the Members of the Company will be held on August 4, 2026 at 10.00 A.M. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)

Financial Year: April to March

Financial Calendar

Adoption of Quarterly results for the quarter ending	Tentative Dates
June 30, 2026	August, 2026
September 30, 2026	November, 2026
December 31, 2026	February, 2027
March 31, 2027	May, 2027

Final Dividend

Date of recommendation: May 12, 2026

Record date: July 24, 2026

Payment date: on or after August 11, 2026

Listing Details

Name of Stock Exchanges & Codes	Address
BSE Limited (BSE) – 524558	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
National Stock Exchange of India Limited (NSE) – NEULANDLAB	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 001.

Payment of Listing Fees and Depository Fees

For the FY 2026-27, the Company has paid (i) annual listing fees to BSE and NSE and (ii) Annual Custody/Issuer fees to National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”).

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

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

Employee Stock Options

There are no outstanding stock options in the Company.

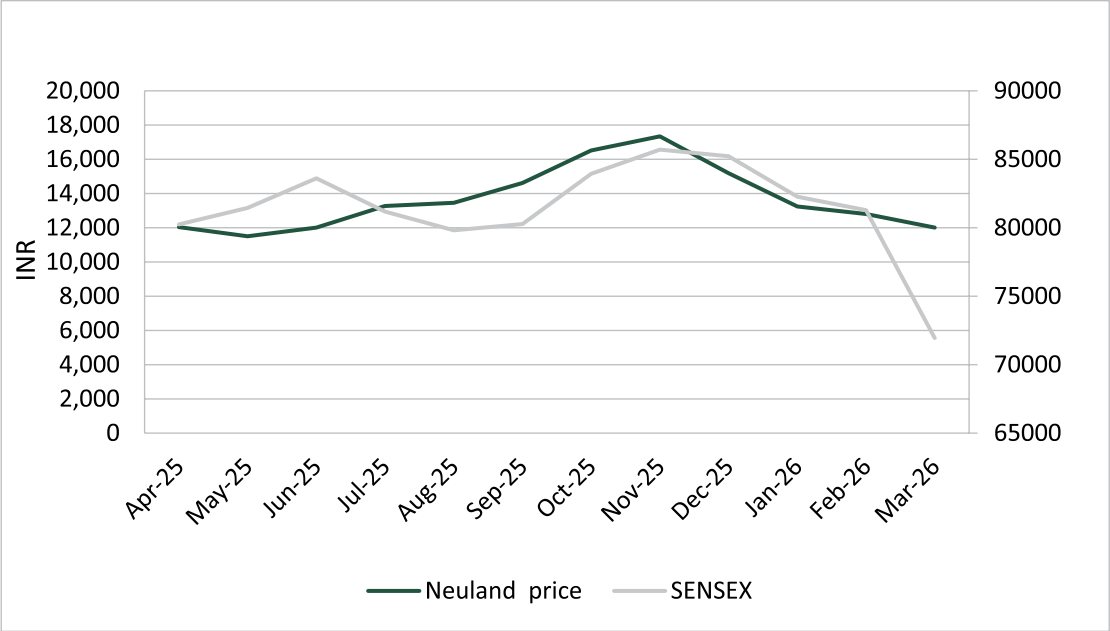
International Securities Identification Number (ISIN) in NSDL & CDSL: INE794AO1010

List of Credit Ratings: The Company does not have any debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds. India Ratings and Research has rated the short-term borrowings and long-term borrowings of the Company as A+/Positive and A+/Positive respectively.

Share price movements 2025-26

Month		BSE Limited (₹)			National Stock Exchange of India Limited (₹)		
		High	Low	Closing (as on the last trading day of month)	High	Low	Closing (as on the last trading day of month)
2025	April	13,365.00	10,060.00	12,036.90	13,888.00	10,400.15	11,992.00
	May	13,185.00	10,598.05	11,502.05	13,170.00	10,578.00	11,503.00
	June	13,960.05	11,416.00	12,006.15	13,950.00	11,412.00	12,000.00
	July	15,499.00	11,575.95	13,270.45	15,500.00	11,572.00	13,281.00
	August	14,079.35	12,236.35	13456.75	14,079.00	12,251.00	13,455.00
	September	16,432.00	13,220.00	14,621.75	16,440.00	13,212.00	14,605.00
	October	16,756.65	14,325.05	16,516.45	16,776.00	14,670.00	16,473.00
	November	19,748.40	16,034.25	17,340.70	19,747.00	16,025.00	17,288.00
	December	17,574.95	14,849.10	15,190.25	17,550.00	14,840.00	15,175.00
	2026 January	15,579.00	12,500.00	13,242.75	15,490.00	12,447.00	13,251.00
	February	14,162.05	12,557.00	12,806.85	14,710.00	12,552.00	12,825.00
	March	13,129.40	11,500.00	12,012.65	13,150.00	11,500.00	12,027.00

Neuland share price and Sensex movement



Registrar and Transfer Agents

KFin Technologies Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032.
Toll free number: 1- 800-309-4001
Email: einward.ris@kfintech.com

Website: <https://www.kfintech.com> <https://ris.kfintech.com>

Details of Unclaimed Securities Suspense Account

In accordance with the requirements of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company:

Particulars	No. of Shareholders	No. of Shares
Aggregate no. of shareholders and the outstanding shares transferred to the suspense account	8	900
No. of shareholders who approached the Company for transfer of shares from suspense account during the year	1	100
No. of shareholders to whom shares were transferred from unclaimed shares suspense account during the year	1	100
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2026	7	800

The voting rights on the shares outstanding in the suspense account as on March 31, 2026, shall remain frozen till the rightful owner of such shares claims the shares.

Details of Suspense Escrow Demat Account

In accordance with the requirements of SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated 25th January, 2022, the Company has opened a Suspense Escrow Demat Account with a Depository Participant for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of Confirmation to the shareholders in lieu of physical share certificate(s) to enable them to make a request to the Depository Participant for dematerialising their shares.

During the year under review, no shares were transferred to the Company’s Suspense Escrow Demat Account.

Details of Unclaimed Dividend Amount

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to the Investor Education and Protection Fund (“IEPF”). Further, all the shares in respect of which dividend

has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

During the year under review, no unclaimed dividends, outstanding for seven years along with the shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account were transferred to IEPF.

Further, pursuant to the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has also uploaded the aforementioned details with the IEPF Authority and also on the website of the Company at www.neulandlabs.com. The members who have a claim on the above dividends and shares may claim the same from the IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

100 Days Campaign - “Saksham Niveshak”

The campaign led by the IEPFA under the MCA, was launched on July 28, 2025 for all the companies to strengthen investor protection and promote financial transparency.

IEPFA has since launched the second phase of the 100-day Saksham Niveshak campaign on April 1, 2026. The campaign focuses on shareholders whose dividends has remain unclaimed, with an emphasis on KYC updation and related compliance requirements.

The Company undertook initiatives aligned with the above objectives, including KYC updation.

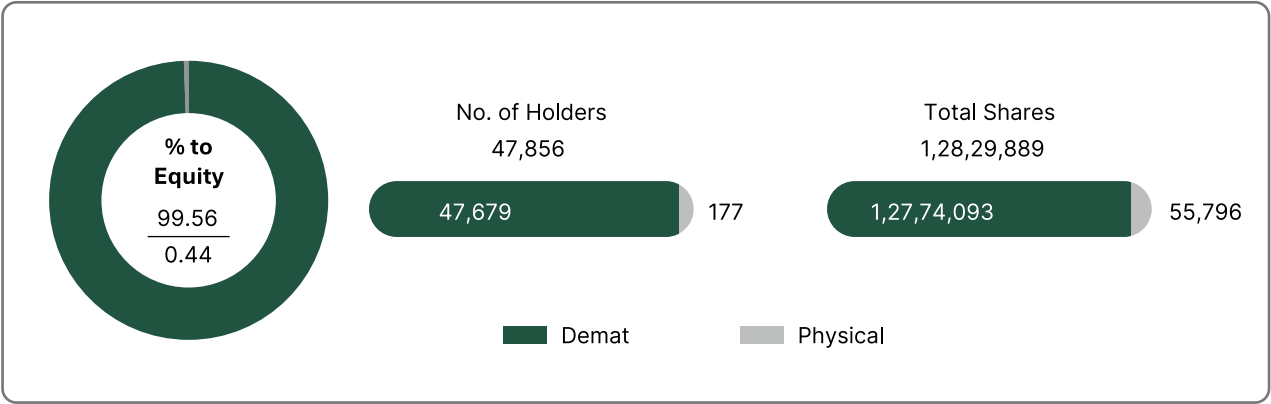
Information in respect of unclaimed dividend pursuant to the provisions of Section 124 of the Companies Act, 2013 and the dates by which they need to be transferred are given below:

Financial year	Date of declaration	Due date for transfer to IEPF
2018-19	July 5, 2019	August 4, 2026
2019-20	February 11, 2020	March 3, 2027
2020-21 (interim dividend)	November 3, 2020	December 8, 2027
2020-21	July 7, 2021	August 10, 2028
2021-22	August 2, 2022	September 1, 2029
2022-23	July 27, 2023	August 26, 2030
2023-24	July 31, 2024	August 30, 2031
2024-25	July 30, 2025	August 29, 2032

Members should write to the Registrar and Transfer Agents of the Company, KFin Technologies Limited, or the Company, if they have not encashed the dividend warrants so far in respect of the aforesaid financial year(s), well in advance of the above due dates.

During the year under review, the Company sent individual notices and issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares/dividends to the IEPF. Details of the unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority are available on the website of the Company at <https://www.neulandlabs.com/en/investors/investor-services/unpaid-and-unclaimed-dividend>

Dematerialization mandatory for effecting share transfers



Nodal Officer & Deputy Nodal Office

In accordance with the IEPF Rules, the Board of Directors of the Company has appointed Ms. Sarada Bhamidipati, Company Secretary and Compliance officer as the Nodal officer of the Company and Mr. Rohit Konda as the Deputy Nodal Officer of the Company.

Contact information of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available on the website of the Company at <https://www.neulandlabs.com/en/investors/investor-services/investor-contacts>

IEPFA Integrated Portal

IEPFA has introduced an enhanced search facility through the IEPFA Integrated Portal, enabling investors to conveniently ascertain whether their unclaimed shares or dividends have been transferred to the Investor Education and Protection Fund (IEPF).

The portal provides a single-window interface for claimants, companies and regulators, offering facilities such as real-time claim tracking, streamlined grievance redressal and easy access to investor awareness resources. These features are expected to simplify the asset recovery process, reduce dependence on intermediaries and strengthen investor awareness and protection.

The portal is accessible through the IEPFA website at www.iepf.gov.in

The Company's equity shares are actively traded on BSE and NSE.

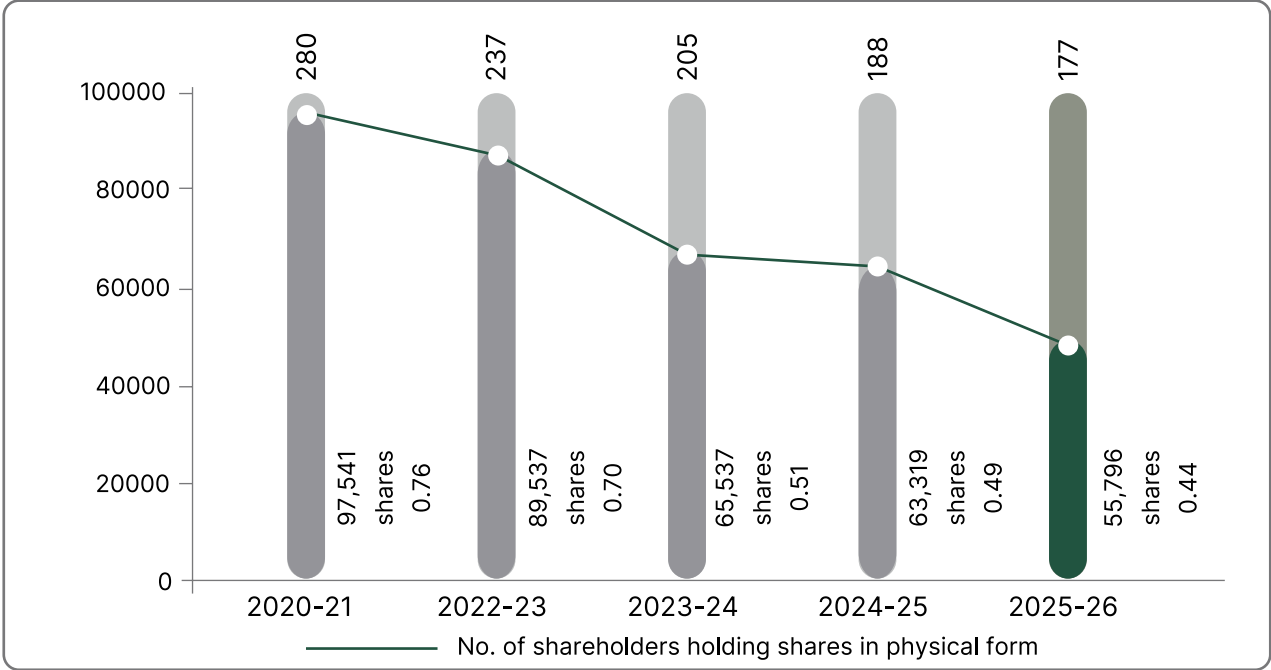
The shareholders holding shares in physical form are requested to dematerialise their shares for safeguarding their holdings and managing the same hassle free.

Shareholders are accordingly requested to get in touch with any depository participant ("DP") registered with SEBI to open a demat account. The shareholders may also visit the website

of Depositories viz. NSDL or CDSL for further understanding of the demat procedure.

Reduction in physical shareholders

On account of the continuous efforts made by the Company to convert its entire equity share capital in dematerialised form, there has been a significant reduction in the number of shareholders holding shares in physical form in the last five years. The number of shareholders holding shares in physical form decreased by 36.79% (177 in FY 2025-26 compared with 280 in FY 2021-22) as of March 31, 2026.



Share Transfer System / other investor service requests:

Securities and Exchange Board of India has vide proviso to Regulation 40(1) of SEBI Listing Regulations, mandated that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository, except in case of transmission or transposition of securities. In view of the same, the Company shall not process any requests for transfer of shares in physical mode. Members who desire to demat their shares can get in touch with any Depository Participant having registration with Securities and Exchange Board of India to open a demat account and follow the procedure for share transfers.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition.

The manner and process of making application as per the aforesaid revised framework and operational guidelines thereto is available on the website of the RTA at <https://ris.kfintech.com/>

The Company on a quarterly basis obtains a certificate of adherence with service standards issued by the Registrar and Share Transfer Agents. The Company and RTA constantly evolves on the

processes to ensure that the shareholder practices are investor friendly and effective in time.

During the year, all the request(s) received from the shareholders by the Company, or its RTA were addressed in accordance with the timelines as provided by the Statutory Authorities, from time to time.

Special window for re-lodgement of transfer of physical shares

SEBI vide its Circular No. SEBI/HO/ MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 2, 2025, opened a special window for a period of 6 months from July 7, 2025 till January 6, 2026 to facilitate re-lodgement of transfer requests of physical shares of the Company in dematerialised form, which were sold/ purchased prior to April 1, 2019 and/ or were rejected/ returned/not attended to due to deficiency in the documents/process or otherwise.

Further, SEBI vide its Circular No. HO/38/13/11(2)2026- MIRSD-POD/I/3750/2026 dated January 30, 2026, has decided to open another special window for a period of one year from February 5, 2026 to February 4, 2027 to facilitate transfer and dematerialisation of physical shares of the Company.

All securities transferred under this special window shall be mandatorily credited to the transferee only in demat mode and shall be under lock-in for a

period of one year from the date of registration of transfer. Such securities shall not be transferred/ lien-marked/pledged during the said lock-in period.

The transferee shall be mandatorily required to submit all the documents, as prescribed under the aforesaid SEBI circular. Cases involving disputes between transferor and transferee and securities that have been transferred to Investor Education and Protection Fund (IEPF) will not be considered under this special window.

Shareholder engagement

The Company and the Registrar and Transfer Agent (RTA) consistently engage with shareholders to guide them through the procedures and document requirements for their service requests. Upon establishing contact, efforts are made to assist shareholders in submitting the necessary and valid documents to fulfill their service requests promptly and accurately.

The Company views shareholder engagement as a pivotal factor in fostering strong corporate governance.

Rematerialisation of shares

The Company has not received any requests for re-materialisation of shares during the year.

Distribution of Shareholding as on March 31, 2026

No. of shareholders	No. of Shareholders	% of shareholders	Total no. of shares	% of shareholding
1-5000	46,829	97.85	13,59,781	10.59
5001-10000	432	0.90	3,12,999	2.44
10001-20000	229	0.48	3,28,569	2.56
20001-30000	86	0.18	2,15,987	1.68
30001-40000	36	0.08	1,25,940	0.98
40001-50000	37	0.08	1,69,804	1.32
50001-100000	77	0.16	5,49,107	4.28
100001 & Above	130	0.27	97,67,702	76.13
Total	47,856	100	1,28,29,889	100

Shareholding Pattern as on March 31, 2026

Category of shareholder	No. of Shareholders*	No. of shares Held	% of Share Holding
(A) Shareholding of Promoter(s) & Promoter(s) Group			
(1) Individuals/Trusts	15	41,86,984	32.63
Total Shareholding of Promoter(s) & Promoter(s) Group (A)	15	41,86,984	32.63
(B) Public shareholding			
(1) Institutions			
i. Mutual Funds/UTI	31	14,55,556	11.35
ii. Alternate Investment Funds & Insurance Companies	44	5,76,420	4.49
iii. Companies or Bodies Corporate where Central / State Government is a promoter	1	56	0.00
iv. Foreign Institutional Investors	164	26,24,480	20.45
Sub-Total (B)(1)	240	46,56,512	36.29
(2) Non-Institutions			
i. Bodies Corporate	770	6,22,223	4.85
ii. Individuals			
a. Individual shareholders holding nominal share capital up to ₹ 2 lakhs	42,873	21,83,047	17.02
b. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	9	8,76,206	6.83
iii. Non-Resident individuals	1,399	1,52,104	1.19
iv. Investor Education and Protection Fund (IEPF)	1	43,158	0.34
v. Foreign Nationals / Foreign Companies	1	100	0.00
vi. Other			
a. Trusts	16	22,159	0.17
b. HUF	975	86,244	0.67
c. Clearing Members	4	802	0.01
d. NBFCs registered with RBI	1	350	0.00
Sub-total (B)(2)	46,049	39,86,393	31.08
Total Public Shareholding (B) = (B)(1) + (B)(2)	46,289	86,42,905	67.37
Total (A)+(B)	46,304	1,28,29,889	100

*Note: No. of shareholders upon consolidation of folios basis PAN

Plant Locations

Unit 1	Unit 2	Unit 3	R&D Centre
Survey No.347, 473, 474, 490/2, Veerabhadraswamy Temple Road, Bonthapally Village, Jinnaram, Sangareddy District, 502313 Telangana	Plot No. 92-94, 257-259 IDA Pashamylaram Patancheru Mandal Sangareddy District, 502319, Telangana	Survey No 10, 10F/A/1, 10F/A/2, 10F/A/3 situated at Gaddapotharam Village, Jinnaram, Sangareddy District, 502307, Telangana	Survey No.488G and 489A, Veerabhadra Swamy temple Road, Bonthapally Village, Jinnaram, Sangareddy District, 502313, Telangana

Service of documents through Electronic Mode

The Notice of 42nd Annual General Meeting, along with the Integrated Annual Report for FY 2025-26, is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company or with the Depositories. Members who wish to update or register their e-mail addresses with the Company or with the Depositories may inform their respective Depository Participants in case of shares held in electronic form and to the Registrar and Transfer Agent or the Company in case of physical holding of shares at the addresses given below in the Report.

Remittance of Dividend through Electronic Mode

The Company provides the facility for remittance of dividend, if any, to members through NECS (National Electronic Clearing Service)/ RTGS (Real Time Gross Settlement)/NEFT (National Electronic Funds Transfer). Members, who have not yet opted for remittance of dividend through electronic mode and wish to avail the same, are required to provide their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) to their respective Depository Participants where shares are held in the dematerialized form and the Registrar Transfer Agent in case the shares are in physical form respectively.

Dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source ("TDS") 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, 2025 and amendments thereof. A separate email communication was sent to the members on June 12, 2026 informing the relevant procedure to be adopted by them/ documents to be submitted for availing the applicable tax rate. The said communication and draft of the exemption forms and other documents are available on the Company's website at <https://www.neulandlabs.com/en/investors/investor-services/tds-related-information-dividend>

The Company sends TDS certificate to the shareholders at their registered email id or postal address, as the case may be, post payment of the dividend in terms of applicable provisions of the law.

The Company, inter alia, has undertaken the following initiatives during the year under review to reduce the quantum of unclaimed dividend(s):

- a. Periodic reminders are sent to the shareholders of the Company to claim their outstanding dividend(s).
- b. Suo motu credit of outstanding dividend(s) is being made to the bank account(s) of shareholders on registration of their bank details.

INVESTOR GRIEVANCE & INVESTOR CONTACTS

The Company has authorised the Stakeholders Relationship Committee ("SRC") of the Board of Directors to examine and redress complaints by shareholders and investors. The status of quarterly complaints is reported to the Board of Directors.

The Company and its RTA constantly monitor the Investor Complaint Module as available on the BSE Corporate Compliance & the Listing Centre, NSE Electronic Application Processing System and SEBI Complaints Redress System ("SCORES") to track and redress the investor complaints in a speedy manner.

SEBI has requested the members to approach the Company directly at the first instance for their grievance. If the Company does not resolve the complaint of the shareholders within the stipulated time, then they may lodge the complaint with SEBI/Stock Exchanges for further action.

The revised framework for handling and monitoring of investor complaints received through SCORES Portal by the Company and designated stock exchanges is provided by SEBI in its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026.

For any grievances/complaints, shareholders may contact the RTA at einward.ris@kfintech.com. For any escalations, shareholders may write to the Company at ir@neulandlabs.com.

Address for Correspondence

- i. **Investor Correspondence:** For dematerialization/ transmission of shares, address updation, KYC updation, payment of dividend on shares and any other query relating to the shares of the Company.

For Shares held in Physical	For Shares held in Demat Form
Registrar and Transfer Agents KFin Technologies Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Toll free number: 1- 800-309-4001 Email: einward.ris@kfintech.com Website: https://www.kfintech.com https://ris.kfintech.com/	To the Depository Participant

- ii. **Any query on Annual Report**

Ms. Sarada Bhamidipati
Company Secretary & Compliance Officer
Neuland Laboratories Limited
11th Floor (5th Level), Phoenix IVY Building,
Plot No. 573A-III, Road No. 82, Jubilee Hills,
Hyderabad, 500033, Telangana, India
Phone : +91 40 6761 1600
e-mail : ir@neulandlabs.com

- iii. **For investor grievance**

e-mail : ir@neulandlabs.com

- iv. **Address/Contact details of the redressal agencies for investors to lodge their grievances**

Regulatory Authorities

Ministry of Corporate Affairs	A' Wing, Shastri Bhawan Rajendra Prasad Road New Delhi – 110 001 Tel. Nos.: (011) 2338 4660, 2338 4659 Website: www.mca.gov.in
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Securities and Exchange Board of India	Plot No. C4-A, 'G' Block Bandra-Kurla Complex Bandra (East) Mumbai – 400 051 Tel. Nos.: (022) 2644 9000/4045 9000/ (022) 2644 9950/4045 9950 Fax Nos.: (022) 2644 9019-22/4045 9019-22 Toll Free Investor Helpline: 1800-227-575 Email: sebi@sebi.gov.in Website: www.sebi.gov.in
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Stock Exchanges:

BSE Limited	Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Tel. Nos.: (022) 2272 1233/4 (022) 6654 5695 (Hunting) Fax No.: (022) 2272 1919 Website: www.bseindia.com
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Tel. Nos.: (022) 2659 8100/8114 (022) 6659 8100 Fax No.: (022) 2659 8120 Website: www.nseindia.com

Depositories:

National Securities Depository Limited	Trade World, A Wing, 4 th Floor Kamala Mills Compound, Lower Parel Mumbai – 400 013 Tel. Nos.: (022) 4886 7000/2499 7000 Email: info@nsdl.com Website: https://nsdl.com/
Central Depository Services (India) Limited	Marathon Futorex, A-Wing, 25 th Floor N M Joshi Marg, Lower Parel Mumbai – 400 013 Toll free No.: 1800-225-533 Email: complaints@cdslindia.com Website: www.cdslindia.com

SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, read with Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated December 1, 2023, has notified the revised framework for handling and monitoring of investor complaints received through SCORES platform by the Company and designated Stock Exchanges effective from April 1, 2024. The shareholders can access the new version of SCORES 2.0 at <https://scores.sebi.gov.in>.

The timelines and process are provided below

STAGE 1	Approach to Company and/or Registrar and Share Transfer Agent of the Company Investors are requested to first approach the Company and/or Registrar and Share Transfer Agent in accordance with the Investors' Grievance Redressal Policy of the Company.
STAGE 2	Lodgement of complaint on SCORES Portal If the shareholder is not satisfied with the response, they may lodge a complaint on the SCORES Portal. The complaint will be redirected to the Company with a copy marked to Stock Exchanges, being the Designated Body.
STAGE 3	Submission of Action Taken Report by the Company The Company will upload the Action Taken Report ("ATR") within 21 days from the date of receipt of complaint and the same shall be automatically routed to the complainant through SCORES Portal.
STAGE 4	First Review of the complaint If the complainant is not satisfied with the ATR of the Company and indicates the same within 15 days or no ATR has been received from the Company within 21 days, the Designated Body will take cognizance of the complaint for first review. The Company will be required to submit the ATR/provide clarification within the timeline stipulated by Designated Body to enable them to upload ATR on SCORES within 10 days from the date of review.
STAGE 5	Second Review of the complaint If the complainant is not satisfied with the ATR submitted by Designated Body and indicates the same within 15 days or no ATR has been received from the Designated Body within 10 days, the SEBI may take cognizance of the complaint for second review. The Company and/or Designated Body shall then be required to provide the clarification to SEBI within the stipulated timeline. The second review complaint shall be treated as 'resolved' or 'disposed' or 'closed' only when SEBI 'disposes' or 'closes' the complaint on SCORES Portal.
STAGE 6	Online Dispute Resolution Mechanism/Other Civil Remedies After examination/SEBI review, the complaint shall get disposed on SCORES Portal with closure remarks and/or advice to opt For Online Dispute Resolution Mechanism, if not satisfied. The complainant also has an option for other civil remedies.

The complaint will be kept pending on SCORES upto 15 days from the date of receipt of ATR awaiting revert from the complainant.

The complaint will be disposed off if complainant is satisfied or no second review is opted within 15 days.

Other useful information for shareholders

1. Common and simplified norms for investor's service request

SEBI vide its Master Circular No. HO/38/13(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (Contact Details, Bank Details, and Specimen Signature), and Nomination details. As per the provision of the said Master Circular, all shareholders holding shares in physical form are mandated to update their PAN, address, mobile number, bank account details, and specimen signature with the RTA.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024), has removed the requirement for freezing of folios, however, members are requested to note that dividends and other payments, if any, in respect of such KYC non-compliant folios shall only be made electronically with effect from April 1, 2024 upon registering the required details.

Accordingly, the members are advised to register their details with the RTA or DP, as the case may be, in compliance with the aforesaid SEBI guidelines for smooth processing of their service requests and trading without any hindrance.

2. Consolidation of folios:

Shareholders holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.

3. Preservation of ownership documents

Shareholders are advised to keep copies of all their investment documentation i.e., share certificate, dividend counterfoil, Company communication in original, etc.

4. Manner of postage of documents

Shareholders are advised to send share certificates, cheques, demand drafts, etc. through registered/speed post or courier.

5. Non-resident shareholders

Non-resident shareholders are requested to immediately notify the following to the RTA of the Company in

respect of shares held in physical form and to their DPs in respect of shares held in dematerialised form:

- a. Indian address for sending all communications, if not provided so far.
- b. Change in their residential status on return to India for permanent settlement.
- c. Particulars of their Non-resident rupee account, whether repatriable or not, with a bank in India, if not furnished earlier.
- d. E-mail Id and Phone No(s)

Grievance Redressal at IEPFA

To strengthen investor support and enhance transparency in the claim resolution process, the IEPFA has introduced a dedicated Grievances Ticketing System with upgraded features. The system enables claimants to track the status of their claims and queries in a structured and efficient manner.

A step-by-step procedure for raising grievances is available at [click here](#) for the benefit of claimants.

6. Email Id registration

To support the green initiative, shareholders are requested to register their email address with their DPs or with the Company's RTA, as the case may be. Communications in relation to the Company like Notice, Dividend credit intimations, Notice of AGM and Integrated Annual Report are periodically sent electronically to such shareholders who have registered their email address. This is to inform that ~94% shareholders of the Company have registered their e-mail IDs.

In case of any change in relation to the email address, the members are required to intimate the same

- a. For shares held in electronic form: to their respective DP.
- b. For shares held in physical form: to the Company/RTA in prescribed Form No. ISR-1 mentioned above at sr. no. (1).

7. Voting Rights

The fundamental voting principle is ‘One Share-One Vote’.

Equity shares issued by the Company carry equal voting rights, with an exception, where voting rights in respect of the shares, if any, lying in the Unclaimed Suspense Account, Suspense Escrow Demat Account, and shares transferred to IEPF are frozen till the rightful owner claims such shares and is transferred as such.

8. Dealing with SEBI registered intermediaries

Shareholders are requested to deal only through SEBI registered intermediaries and give clear and unambiguous instructions to their broker/sub-broker/DPs.

9. Investor Charter

In order to facilitate investor awareness for various service requests, SEBI had prescribed Investor Charter

for RTAs, inter alia, detailing the services provided to investors, rights of investors, timelines for various activities of RTAs, Do’s and Dont’s for Investors and Grievance Redressal Mechanism.

The Investor Charter of the Company’s RTA is available on their website at <https://ris.kfintech.com/clientservices/isc/sebi.aspx>

10. Investor section of the Company’s website

The investor section of the Company’s website can be accessed at <https://www.neulandlabs.com/investors/investor-updates/announcements/>

11. Shareholder Satisfaction Survey

As part of its continued focus on strengthening shareholder engagement and service delivery, the Company conducted a shareholder satisfaction survey to seek feedback on shareholder services. The survey results reflected a high level of satisfaction.

CEO AND CFO CERTIFICATION

[Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015]

We, Davuluri Saharsh Rao, Chief Executive Officer & Managing Director and Abhijit Majumdar, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended March 31, 2026 and that these statements:
 - i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. together present a true and fair view of the Company’s affairs and are in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under applicable laws and rules 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 violative of the Company’s Code of Conduct.
- c. We accept overall 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 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 proposed to be taken to address these deficiencies.
- d. We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - i. that there are no significant changes in the internal control over financial reporting during the year;
 - ii. that there are no significant changes in the accounting policies during the year; and
 - iii. that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company’s internal control system over financial reporting.

For Neuland Laboratories Limited

Davuluri Saharsh Rao
Chief Executive Officer & MD

Place: Hyderabad
Date: May 12, 2026

For Neuland Laboratories Limited

Abhijit Majumdar
Chief Financial Officer

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD MEMBERS & SENIOR MANAGEMENT PERSONNEL

I hereby confirm that the Board Members and the Senior Management personnel have affirmed compliance with the provisions of the Code of Conduct for Board Members & Senior Management Personnel for the year ended March 31, 2026.

Date: May 12, 2026
Place: Hyderabad

Davuluri Saharsh Rao
Chief Executive Officer & MD

CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Neuland Laboratories Limited
11th Floor (5th Level), Phoenix IVY Building,
Plot No. 573A-III, Road No. 82, Jubilee Hills,
Hyderabad, 500033-Telangana.

We have examined the compliance of conditions of Corporate Governance by **M/s. Neuland Laboratories Limited** (‘the Company’) for the year ended 31st March, 2026 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

Place: Hyderabad
Date: 12.05.2026

For **P.S. Rao & Associates**
Company Secretaries

P S Rao
Sr. Partner
FCS No: 10322; C.P No. 3829
PR: 6678/2025
UDIN: F010322H000311051

CERTIFICATE

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

To
The Members of
Neuland Laboratories Limited
11th Floor (5th Level), Phoenix IVY Building,
Plot No. 573A-III, Road No. 82, Jubilee Hills,
Hyderabad, 500033, Telangana, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Neuland Laboratories Limited** bearing CIN: L85195TG1984PLC004393 and having registered office situated at 11th Floor (5th Level), Phoenix IVY Building, Plot No. 573A-III, Road No. 82, Jubilee Hills, Hyderabad, 500033, Telangana, India (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our 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 us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S.No	Name of the Director	Designation	DIN
1.	Dr. Ramamohan Rao Davuluri	Whole Time Director (Executive Chairman)	00107737
2.	Mr. Davuluri Sucheth Rao	Whole time Director (Vice Chairman & CEO)	00108880
3.	Mr. Davuluri Saharsh Rao	Whole time Director (Vice Chairman & Managing Director)	02753145
4.	Mr. Sugata Sircar	Non-Executive Director (Independent Director)	01119161
5.	Mrs. Pallavi Joshi Bakhru	Non-Executive Director (Independent Director)	01526618
6.	Dr. Ravi Shankar Gopinath	Non-Executive Director (Independent Director)	00803847
7.	Mr. Homi Rustam Khusrokhani	Non-Executive Director (Independent Director)	00005085
8.	Mr. Prasad Raghava Menon	Non-Executive Director (Independent Director)	00005078

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our 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.

Place: Hyderabad
Date: 12.05.2026

For **P S Rao & Associates**
Company Secretaries

P S Rao
Sr. Partner
FCS No: 10322; C.P No. 3829
PR: 6678/2025
UDIN: F010322H000311007

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

To
The Members
Neuland Laboratories Limited
11th Floor (5th Level), Phoenix IVY Building,
Plot No. 573A-III, Road No. 82, Jubilee Hills,
Hyderabad, 500033-Telangana, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Neuland Laboratories Limited.**, [CIN: L85195TG1984PLC004393] (hereinafter called “the Company”) for the financial year ended 31st March, 2026 (“audit period”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable: -
 - (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 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
(Not applicable to the Company during the audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
(Not applicable to the Company during the audit period)
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/groups:
 - (a) Drugs and Cosmetics Act, 1940
 - (b) Narcotic Drugs and Psychotropic Substances Act, 1985
 - (c) The Medicinal & Toilet Preparations (Excise Duties) Act, 1955
 - (d) Drugs Price Control Order, 2013 and notifications made there under
 - (e) Indian Boilers Act, 1923
 - (f) The Payment of Wages Act, 1936
 - (g) Employees Provident Funds and Miscellaneous Provisions Act, 1952
 - (h) The Payment of Bonus Act, 1965
 - (i) The Water (Prevention and control of pollution) Act, 1974 and rules made thereunder
 - (j) The Air (Prevention and control of pollution) Act, 1981 and rules made thereunder
 - (k) The Environment Protection Act, 1986 and rules made thereunder
 - (l) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Meeting of Board of Directors (SS-1) and General Meetings (SS-2), as amended from time to time, and Guidance note Meeting of Board of the Board of Directors and General Meetings issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the 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.

Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities in view of the pandemic pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions at the Board/ Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that:

- 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.
- there were no such specific events/ actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs

For **P S Rao & Associates**
Company Secretaries

P S Rao
Sr Partner

FCS No: 10322; C.P.No.3829
PR No.6678/2025

ICSI Unique Code: P2001TL078000
UDIN: F010322H000311106

Place: Hyderabad
Date: 12.05.2026

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

*The above draft audit report is based on the preliminary information provided by the Company. Further, the final audit report may vary based on the final data, as approved by the Board/ managerial personal, provided by the Company.

ANNEXURE-A

To
The Members
Neuland Laboratories Limited
11th Floor (5th Level), Phoenix IVY Building,
Plot No. 573A-III, Road No. 82, Jubilee Hills,
Hyderabad, 500033, Telangana, India

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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 **P S Rao & Associates**
Company Secretaries

P S Rao
Sr Partner

FCS No: 10322; C.P.No.3829
PR No.6678/2025

ICSI Unique Code: P2001TL078000
UDIN: F010322H000311106

Place: Hyderabad
Date: 12.05.2026

NEULAND LABORATORIES LIMITED
Nomination and Remuneration Policy

1. BACKGROUND

This Nomination and Remuneration Policy (“Policy”) is in pursuance to the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements), Regulation 2015, as amended from time to time. This Policy outlines the principles, parameters and framework to ensure the appointment and payment of equitable and competitive remuneration to Directors, Key Managerial Personnel and employees of the Company is based on individual performance, Company’s benchmark, Industry practices and performance of the Company as a whole.

The Nomination and Remuneration Committee (“the Committee”), constituted by the Board of Directors under Section 178 of the Companies Act, 2013 and under this Policy, has considered the following factors, while formulating the Policy:

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

This Policy has been approved by the Board of Directors at their meeting held on February 10, 2025 and shall be effective immediately, superseding the earlier Policy of the Company.

2.1 OBJECTIVE

The objective and purpose of this Policy is:

- 2.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 2.2 To lay down the criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-

executive including Independent Directors), Key Managerial Personnel and persons who may be appointed in senior management positions.

- 2.3 To provide guidance and necessary support to the Board to evaluate the performance of the members of the Board.
- 2.4 To recommend to the Board on the remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 2.5 To provide to the Board, the Key Managerial Personnel and the Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 2.6 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 2.7 To assist the Board in fulfilling its responsibilities.
- 2.8 To lay down approach for Board diversity.
- 2.9 To ensure compliance with the Companies Act, 2013 and rules made thereunder (the “Act”), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (hereinafter “Applicable Law”).

3. APPLICABILITY

This policy is applicable to the following:

- i. Directors (Executive and Non-Executive);
- ii. Key Managerial Personnel (not being a Director);
- iii. Senior management personnel; and
- iv. Other employees of the Company

4. DEFINITIONS

- 4.1 ‘Act’ means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 4.2 ‘Board’ means Board of Directors of the Company.
- 4.3 ‘Company’ means Neuland Laboratories Limited.
- 4.4 ‘Director(s)’ mean directors of the Company.

4.5 ‘Executive Director’ means a director who is appointed as whole-time director or managing director of the Company under the Act. The Executive Directors of the Company are the three whole time directors, i.e. Executive Chairman, Vice Chairman & Chief Executive Officer (CEO) and Vice Chairman & Managing Director (MD).

4.6 ‘Key Managerial Personnel (KMP)’ shall have the same meaning as in Section 2(51) of the Act and means:

- the Chief Executive Officer or the Managing Director or the Manager;
- the Whole-time director;
- the Chief Financial Officer;
- the Company Secretary;
- such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and such other officer as may be prescribed.

4.7 ‘Non-Executive Director’ means a director who is not an Executive Director and includes Independent Director.

4.8 ‘Independent Director’ means a Non-Executive Director, other than a nominee Director of the Company:

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a Promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the Company;
- (ii) who is not related to promoters or Directors in the Company, its holding, subsidiary or associate Company;
- c. Who, has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed, with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial year;

d. none of whose relatives —

- i. is holding any security of or interest in the Company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

- ii. is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, for an amount of fifty lakhs rupees or more, at any time or such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

- iii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for an amount of fifty lakhs rupees or more, at any time or such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

- iv. has or had any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company or their promoters, or directors amounting to two per cent. or more of its gross turnover or total income:

Provided that the pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company or their promoters, or directors in relation to points (i) to (iv) above shall not exceed two percent of its gross turnover or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower.

- e. who, neither himself/herself nor whose relative(s) —
 - i. holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company or any company belonging to the promoter group of the Company, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

Provided that in case of a relative who is an employee other than Key Managerial Personnel, the restriction under this clause shall not apply for his/her employment.
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - A. a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - B. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - iii. holds together with his relatives two per cent. or more of the total voting power of the Company; or
 - iv. is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company; or

- v. is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. who is not less than 21 years of age
- g. possesses appropriate skills, experience and knowledge in one or more fields of pharma, finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- h. who is not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director.
- i. such other conditions as may be prescribed under the applicable statutory provisions/ regulations from time to time.

4.8 **‘Senior Management’** means personnel of the Company who are members of its core management team, i.e., senior vice president and above, excluding the Board of Directors, and shall also comprise of all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads¹, by whatever name called and the persons identified and designated as key managerial personnel, other than Board of Directors.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined under the Act and the SEBI Listing Regulations as amended from time to time shall have the meaning respectively assigned to them therein.

5. THE NOMINATION AND REMUNERATION COMMITTEE

- 5.1 The Nomination and Remuneration Committee (“Committee”) shall be constituted by the Board of Directors as follows:
 - a. The Committee shall comprise of three or more Non-Executive Directors.

- b. All Directors of the Committee shall be Non-Executive Directors.
- c. At-least two-thirds of the Directors shall be Independent Directors.

5.2 The Chairperson of the Committee shall be an Independent Director:

Provided that the chairperson of the Company, whether Executive or Non-Executive, may be appointed as a member of the Committee but shall not chair such Committee.

5.3 The Quorum for a meeting of the Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

5.4 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as the Chairperson other than the Chairperson of the Company.

5.5 The Chairperson of the Committee may be present at the annual general meeting, to answer the shareholder’s queries; however, it shall be upto the Chairperson to decide who shall answer the queries.

5.6 The Committee shall meet on a need basis provided that it shall mandatorily meet at least once a financial year.

6. ROLES AND RESPONSIBILITIES OF THE COMMITTEE

- 6.1 Role of the Committee shall, inter alia, include the following:
 - a. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors any modifications to this Policy relating to the remuneration of the Directors, the Key Managerial Personnel, and other employees.
 - b. formulation of criteria for evaluation of performance of independent directors and the board of directors;
 - c. devising a policy on diversity of board of directors;

- d. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- e. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- f. recommend to the board, all remuneration, in whatever form, payable to senior management.
- g. Any other responsibility that the Committee may be required to perform under the Applicable Law.

7. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP (NOT BEING A DIRECTOR) AND SENIOR MANAGEMENT

7.1 Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise, and experience of the person for appointment as director, KMP (not being a Director) or at Senior Management level and recommend to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) **For Independent Directors:** every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - 1. use the services of an external agencies, if required;

¹ ‘Functional heads’ shall mean such personnel of the Company who hold the position of senior vice president or above and are in-charge of heading any function of the Company, as may be determined by the Company from time to time.

- 2. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- 3. consider the time commitments of the candidates.
- d) **For Whole-Time KMPs:** A whole-time KMP shall not hold office in more than one company except its subsidiary at the same time.
- e) The Company shall comply with the requirements as laid down in the Act and SEBI Listing Regulations with regard to appointment of Directors, KMPs (not being a Director) and Senior Management.

7.2 Term / Tenure

a) **Executive Director**

The Company shall not appoint or re-appoint any person as an Executive Director for a term exceeding five years at a time.

Provided that no re-appointment shall be made earlier than one year before the expiry of his/her term.

Provided further that a person shall not be a director in more than seven listed entities.

b) **Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it shall be ensured that a person shall not serve as an Independent Director in more than seven listed entities.

Notwithstanding the above, any person who is serving as an executive director in any listed entity shall not serve as an Independent Director in more than three listed entities.

The Company shall comply with the Applicable Law at the time of appointment or reappointment of Independent Director.

7.3 During the term of the office, every director shall:

- 1. uphold ethical standards of integrity and probity;
- 2. act objectively and constructively;
- 3. exercise responsibilities in a bona-fide manner in the interest of the Company;
- 4. shall be free from any disqualifications as stipulated under the Act as well as the SEBI Listing Regulations;
- 5. shall be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

Additionally, the terms and conditions of an Independent Directors shall be as per the Terms of Appointment of Independent Director issued at the time of appointment.

7.4 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board, with reasons recorded in writing, removal of a Director, KMP (not being a Director) or Senior Management, subject to the provisions and compliance of the said Act, rules and regulations.

7.5 Retirement

The Directors, KMP (not being a Director) and Senior Management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board shall have the discretion to retain the Director, KMP (not being a Director), Senior Management personnel in the organization / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, in accordance with Applicable Law.

7.6 Policy relating to the Remuneration of Executive Director(s), Senior Management and other employees

The Remuneration Policy of the Company is primarily based on the following:

- Performance of the Company, its units and facilities
- Performance and potential of individual managers, and,
- External competitive environment.

General

- a. The remuneration/compensation/commission, etc., to the Executive Directors, KMP (not being a Director) and Senior Management will be determined by the Committee and recommended to the Board for approval at the time of appointment. The remuneration /compensation / commission etc. of the Executive Director(s) shall be subject to the approval of the shareholders of the Company as required under Applicable Laws.. In the event of any delay in securing such approval of the shareholders, the Company shall secure such approval by way of ratification by the shareholders.
- b. The remuneration and commission to be paid to the Executive Directors shall be in accordance with the provisions of the Act.
- c. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which would be within the limits approved by the Shareholders in the case of Executive Directors and as per the Policy of the Company in case of others.
- d. Where any insurance is taken by the Company on behalf of its Executive Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel, provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- e. For the purpose of determining remuneration (based on profitability of the Company), the

evaluation criteria of the executive and Non-Executive Directors are as outlined below:

- 1) Executive Directors:
 - 1.1 Financial metrics such as profitability; and
 - 1.2 Non-financial metrics covering aspects such as health, brand building, compliance, quality and sustainability of operations of the organization, as may be agreed upon from time to time with the Company.
- 2) Non-Executive Directors:
 - 2.1 Level of engagement, independence of judgment, etc. and their contribution in enhancing the Board's overall effectiveness;
 - 2.2 The Non-Executive Directors remuneration shall be benchmarked with similar organizations; and
 - 2.3 Participation in the Committees (either as Chairperson or member) and the Board meetings.

Remuneration to Executive Directors including the CEO and the MD

- a. **Fixed pay:** The Executive Directors, shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and in accordance with the Applicable Law. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and subject to the approval of shareholders and Central Government, if any required.
- b. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of the Applicable Law.
- c. **Provisions for excess remuneration:** If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without appropriate approvals, he shall refund

such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Committee shall recommend the due course of action to the Board to recover the excess remuneration as and when required.

- d. **Commission:** The Commission (variable pay) to Executive Directors, will be determined by the Committee and recommended to the Board for approval. The Commission to be paid to the Executive Directors shall be in accordance with the profits calculated under Section 198 of the Act and the conditions laid down in the Articles of Association of the Company, and as per the provisions of the Act and the rules made thereunder.

Remuneration to Non-Executive Directors

- a. **Remuneration / Commission:** The remuneration / commission shall be fixed as per the limits and conditions mentioned under the Applicable Law. In addition, a Non-Executive, a Non-Independent Director may also receive professional fee, on a case-to-case basis, subject to approvals if any required.
- b. **Sitting Fees**
- A Non-Executive Director appointed to the Board of the Company may receive sitting fees for attending meetings of the Board or a committee thereof or for any other purpose whatsoever as may be decided by the Board.
- Provided that such fees shall not exceed the amount as may be prescribed by the Central Government or any regulatory authority.
- c. **Commission:** Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act. The aforesaid percentage shall be exclusive of any sitting fees payable to Non-Executive Directors under the Applicable Law and this Policy.
- d. **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

Remuneration of Senior Management and employees of the Company

The remuneration for the Senior Management and employees of the Company will be guided by external competitiveness and internal parity through benchmarking surveys from time to time. The remuneration structure can be either fixed or combination of fixed and variable components, fixed component comprising of salary, allowances, perquisites, provident fund, etc., and variable component comprising of an amount linked to performance of the individual employee and the Company as a whole. In addition to this the Company may also grant stock options, pursuant to which, equity shares of the Company may be offered and allotted to the employees as per the approved employee stock option scheme.

Internally, performance ratings of all employees would be carried out based on the Performance Management System followed by the Company. The rating obtained by an employee will determine his / her total compensation.

Compensation can also be determined based on identified skill sets critical to success of the Organization. It will be determined as per the market demand and supply, industry benchmark etc.

The compensation to the Senior Management shall be recommended by the Committee to the Board.

The Company shall be responsible for implementing various policies for internal benchmarking, compensation and performance management system, in accordance with this Policy and applicable law. It will also be responsible for presenting employee stock option scheme, if any, to the Committee /Board for their approval.

Performance Evaluation Process – Performance Management System

In line with the mandates under Companies Act, 2013 read with the SEBI Listing Regulations, the Committee shall provide parameters for effective evaluation of performance of Board, its committees and Directors, including Independent Directors, to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance.

The evaluation of employees of the Company including Senior Management, KMP's (not being a Director) shall be as per the annual performance evaluation policy of the Company from time to time following the below mentioned principles:

- Aligning Organization objectives to individual goals
- Fair and transparent assessment of performance
- Recognizing and rewarding performance
- Differentiating high performance
- Understanding and developing of current and future competencies

8. DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY

All directors and officers (including Key Managerial Personnel) of the Company would be covered by the requisite Directors and Officers Liability Insurance Policy.

9. BOARD DIVERSITY

Neuland recognises the importance of diverse and inclusive workplace, which is also applied in the composition of the Board. Diversity encompasses diversity of perspective, experience, education, background, gender, ethnicity and personal attributes. No person shall be discriminated against on grounds of religion, race, gender, ethnicity, pregnancy, childbirth or related medical conditions, nationality, country of origin or cultural background, marital status, age, sexual orientation or any other personal or physical

attribute which does not speak to such person's ability to perform as a Board member.

The Board of Directors shall have an optimum combination of Directors with diverse experience, expertise and skillset in varied areas, fields and/ or functions as may be considered appropriate by the Board.

The Board shall endeavour to have at least one member who has expertise in the areas of financial matters, risk management, cyber security and sustainability and shall have at least one woman-member on the Board.

The Committee shall also periodically review the Board Diversity and recommend to the Board any improvements to one or more aspects of its diversity and measure the progress accordingly.

10. AMENDMENT

The Committee will review this policy periodically and recommend appropriate revisions to the Board.

Any statutory amendment in SEBI Listing Regulations and / or Companies Act, 2013 and any other applicable laws / regulations shall be deemed to be included in the Policy and the Company shall be governed by it. The Committee shall amend or modify this Policy in whole or in part, as required at any time and such amendment/ modification shall be effective from the date that the Board may approve /notify in this behalf.

In case any provision under this Policy is inconsistent with the Applicable Law, the provisions of the Applicable Law shall prevail and the Company shall abide by it.

INDEPENDENT AUDITOR’S REPORT

To the Members of Neuland Laboratories Limited
REPORT ON THE AUDIT OF THE STANDALONE
FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of **Neuland Laboratories Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the “standalone financial statements”).

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

BASIS FOR OPINION

We conducted our audit of the standalone financial statements 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.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the standalone financial statements of the current period. This matter was 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 this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment of Goodwill (Refer Note 37 of standalone financial statements):

The goodwill balance as of March 31, 2026, of ₹ 27,946.10 lakhs pertains to merger of Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL") with the Company with appointed date of April 01, 2016.

As at March 31, 2026, Goodwill represents 9.54% of the Company's total assets and 14.98% of the Company's total shareholder's equity. The Company has tested goodwill for impairment on an annual basis as required by "IND AS 36 - Impairment of Asset". In determining the fair value / value in use of business reporting units, the Company has applied judgment in estimating future revenues, operating profit margins, long-term growth rate and discount rates.

Due to significance of the above matter and involvement of the significant management judgement in estimation of fair value / value in use, the assessment of recoverability of carrying value of goodwill is considered as key audit matter.

HOW THE KEY AUDIT MATTER WAS ADDRESSED
IN OUR AUDIT:

Our audit procedures in respect of this area included, but are not limited to, following:

1. Obtained an understanding from the management of the Company with respect to process followed and assessed the design, implementation and tested the operating effectiveness of internal controls over impairment testing related to goodwill;
2. Assessed the Company's internal control overs preparation of annual budgets and future forecasts for the business as a whole and the approach followed for annual impairment test and key assumptions applied;
3. Evaluated the reasonableness of the assumptions used and appropriateness of the valuation methodology applied and tested the discount rate and terminal growth rates used in the forecast including comparison to economic data, industry report, data from competitors and historic performances wherever appropriate to compare and corroborate;

4. Assessed reasonableness and appropriateness of the future revenue and margin projections, the historical accuracy of the Company's estimates and its ability to produce accurate long-term forecasts;
5. Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board; and tested the mathematical accuracy of management's calculations;
6. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.

INFORMATION OTHER THAN THE STANDALONE
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's statement and Director's report but does not include the standalone financial statements and our auditor's report thereon, and the Management Discussion and analysis, Business Responsibility and Sustainability Report etc. which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not and 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 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Management Discussion and analysis, Business Responsibility and Sustainability Report etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND BOARD
OF DIRECTORS 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 financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. 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 statement 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 Board of Directors of the Company 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.

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Standalone Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 of the aforesaid standalone financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the standalone financial statements.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS.
- (e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) 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:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40 to the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.
- iv. (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and

explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act, to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, to the extent it applies to declaration of dividend. (Refer Statement of Changes in Equity in the Standalone financial statements)

- vi. 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. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded.

3. In our opinion, according to information, explanations given to us, the remuneration paid or provided by the Company to its directors is within the limits laid prescribed under Section 197 of the Act.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621DQCKHM2767

Place: Hyderabad, India
Date: May 12, 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NEULAND LABORATORIES LIMITED

Auditor’s Responsibilities for the Audit of the 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 standalone 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 Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Director’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of 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.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621DQCKHM2767

Place: Hyderabad, India
Date: May 12, 2026

ANNEXURE B TO INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NEULAND LABORATORIES LIMITED FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report]

- i.

(a)

A

The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B

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

Property, plant and equipment and right-of-use assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its

assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company, except for the following immovable properties which, according to the information and explanations given to us, are under dispute pending with the Honourable High Court of Telangana:

Description of property plant and equipment	Gross carrying value (₹ in Lakhs)	Held in the name of	Period held from	Reason for not being held in name of Company
Land	3.30	Neuland Health Sciences Private Limited (NHSPL)	May 30, 2005	NHSPL got merged with Neuland Laboratories Limited, the title deed of the land is pending to be transferred in the name of the Company because of dispute referred in Note 40 (b) of the standalone financial statements.

The original title deeds of immovable properties aggregating to ₹ 1,074.28 lakhs as at March 31, 2026, are pledged with the banks and are not available with the Company. The same has been independently confirmed by the bank to us and verified by us.

stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

- (d)

According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e)

According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions

- ii.

(a)

The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect of such confirmations. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

- (b) During any point of time of the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from Banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks are in agreement with the books of accounts of the Company. Refer note 14 to the standalone financial statements.

Further, during any point of time of the year, the Company has not been sanctioned working capital limits from financial institutions, on the basis of security of current assets.
- iii (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year. Accordingly, provisions stated under clause 3(iii) (a) and 3(iii) (c) to (f) of the Order are not applicable.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made and terms and conditions in relation to investments made are not prejudicial to the interest of the Company. The Company has not provided any loans or advances in the nature of loans or stood any guarantee or given any security to any other entity during the year.
- iv. According to the information and explanations given to us, there are no loans, guarantees, and security in respect of which provisions of sections 185 of the Act, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order to that extent

(b) According to the information and explanation given to us and records examined by us, dues relating to income tax, goods and service tax and service tax, which have not been deposited as on March 31, 2026, on account of any dispute, are as follows:
- is not applicable to the Company. Further, according to the information and explanations given to us, provisions of sections 186 of the Act in respect of investments have been complied with by the Company.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73 to 76 of the Act, and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act, in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in few days. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.
- | Name of the statute | Nature of dues | Amount Demanded
₹ | Amount Paid
₹ | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|----------------------|------------------|------------------------------------|---|
| Income tax Act, 1961 | Income tax | 693.33 | Nil | AY 2004-05 | Hon'ble High Court of Telangana |
| Income tax Act, 1961 | Income tax | 35.85 | 7.17 | AY 2018-19 | Income Tax Appellate Tribunal (Appeals) |
| Income tax Act, 1961 | Income tax | 18.91 | Nil | AY 2019-20 | Commissioner of Income tax (Appeals) |
- | Name of the statute | Nature of dues | Amount Demanded
₹ | Amount Paid
₹ | Period to which the amount relates | Forum where dispute is pending |
|--|---------------------------------------|----------------------|------------------|------------------------------------|---|
| Integrated/Central/ State Goods and Services Tax Act, 2017 | Transitional Input tax credit | 47.95 | Nil | FY 2016-17 | Hon'ble High Court of Telangana |
| CENVAT credit Rules, 2004 | Refund of unutilised EC, SHEC and KKC | 64.38 | Nil | FY 2016-17 | Customs Excise and Service tax Appellate Tribunal |
- There are no dues relating to employees' state insurance, provident fund, duty of customs, duty of excise, cess, and other statutory dues which have not been deposited on account of any dispute.

that no funds raised on short-term basis have been used for long-term purposes by the Company.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to 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 an any entity or person on account of or to meet the obligations of its subsidiaries. Further, the Company do not have any associate or joint ventures.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 14 to the standalone financial statements.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report

x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report
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- under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.

(b) During the year no report under section 143 (12) of the Act, has been filed by cost auditor / secretarial auditor or by us 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. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is 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 and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.

(d) The Group [as defined in the Core Investment Companies (Reserve Bank) Directions, 2016] does not have any Core Investment Company as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.

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

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in Note 42 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 Company is not capable of meeting its liabilities existing

- at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the as disclosed in Note 28 to the standalone financial statements.

(b) In respect of ongoing projects, the Company has transferred unspent amount to a special account within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the Act, as explained in Note 28 to the standalone financial statements.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621DQCKHM2767

Place: Hyderabad, India
Date: May 12, 2026

ANNEXURE C TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NEULAND LABORATORIES LIMITED

[Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditor’s Report of even date to the Members of Neuland Laboratories Limited on the Financial Statements for the year ended March 31, 2026]

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

OPINION

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

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal financial control 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’).

MANAGEMENT’S AND BOARD OF DIRECTOR’S 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 control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI 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 standalone 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621DQCKHM2767

Place: Hyderabad, India
Date: May 12, 2026

Standalone Balance Sheet

As at March 31, 2026

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	Note	As at March 31, 2026	As at March 31, 2025
I. ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	79,339.67	65,370.33
Right-of-use assets	41	9,887.25	1,998.28
Capital work-in-progress	3(b)	20,949.90	4,455.29
Investment property	36(a)	-	-
Goodwill	37	27,946.10	27,946.10
Other intangible assets	4(a)	518.12	174.32
Intangible assets under development	4 (b)	108.46	311.08
Financial assets			
(i) Investments	5	214.04	168.71
(ii) Other financial assets	6	1,177.92	919.05
Income tax assets (net)		396.27	1,132.33
Other non-current assets	7	4,159.27	1,559.81
Total non-current assets		1,44,697.00	1,04,035.30
Current assets			
Inventories	8	51,028.64	38,575.69
Financial assets			
(i) Investments	5	-	10,768.27
(ii) Trade receivables	9	54,135.31	31,572.06
(iii) Cash and cash equivalents	10	7,530.81	13,037.90
(iv) Bank balances other than Cash and cash equivalents	11	27,829.45	12,688.86
(v) Other financial assets	6	433.81	221.56
Other current assets	7	7,178.76	6,917.40
Total current assets		1,48,136.78	1,13,781.74
Total assets		2,92,833.78	2,17,817.04
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,290.05	1,290.05
Other equity	13	1,85,295.08	1,50,489.01
Total equity		1,86,585.13	1,51,779.06
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	16,094.73	9,072.74
(ia) Lease liabilities	41	9,969.48	1,861.76
Provisions	15	1,517.73	663.74
Deferred tax liabilities (net)	16	6,742.35	7,156.07
Total non-current liabilities		34,324.29	18,754.31
Current liabilities			
Financial liabilities			
(i) Borrowings	14	3,566.58	4,528.27
(ia) Lease liabilities	41	496.43	250.99
(ii) Trade payables	17	-	-
- total outstanding dues of micro enterprises and small enterprises		1,264.29	843.04
- total outstanding dues of creditors other than micro enterprises and small enterprises		26,601.81	25,247.16
(iii) Other financial liabilities	18	12,642.35	8,321.71
Provisions	15	230.78	209.72
Other current liabilities	19	25,309.40	7,882.78
Current tax liability (net)		1,812.72	-
Total current liabilities		71,924.36	47,283.67
Total liabilities		1,06,248.65	66,037.98
Total equity and liabilities		2,92,833.78	2,17,817.04

See accompanying notes forming part of the standalone financial statements. 1-48

As per our report of even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No: 105047W/W101187

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Prakash Chandra Bhutada
Partner
Membership No: 404621

Dr. D. R. Rao
Executive Chairman
DIN- 00107737

D. Sucheth Rao
Executive Vice Chairman
DIN- 00108880

D. Saharsh Rao
CEO & Managing Director
DIN- 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: May 12, 2026

Place: Hyderabad
Date: May 12, 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I. Income			
Revenue from operations	20	2,02,298.54	1,47,683.73
Other income	21	3,016.39	2,050.86
Total income (I)		2,05,314.93	1,49,734.59
II. Expenses			
Cost of materials consumed	22	81,976.45	57,480.68
Changes in inventories of finished goods and work-in-progress	23	(6,426.23)	1,283.12
Employee benefits expense	24	32,882.04	26,139.85
Finance costs	25	2,394.54	829.59
Depreciation and amortisation expenses	26	9,173.05	6,554.19
Manufacturing expenses	27	19,161.44	16,287.00
Other expenses	28	17,380.33	14,263.19
Total expenses (II)		1,56,541.62	1,22,837.62
III. Profit before exceptional item and tax (I-II)		48,773.31	26,896.97
IV. Exceptional item	36(b)	-	7,640.36
V. Profit before tax (III+IV)		48,773.31	34,537.33
VI. Tax expense			
Current tax	29	12,888.35	7,365.30
Deferred tax (credit)/charge		(425.54)	1,229.49
Total tax expense (VI)		12,462.81	8,594.79
VII. Profit for the year (V-VI)		36,310.50	25,942.54
VIII. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans	15	1.65	(56.30)
Changes in fair value of equity instruments through other comprehensive income	5	45.33	27.99
Tax on items that will not be reclassified to profit or loss	16	(11.82)	7.12
Other comprehensive income/ (loss) for the year, net of tax (VIII)		35.16	(21.19)
IX. Total comprehensive income for the year (VIII+VII)		36,345.66	25,921.35
X. Earnings per share [EPS] (in absolute ₹ terms) (face value of ₹ 10 each)			
Basic and Diluted EPS (in ₹)	30	283.01	202.20

See accompanying notes forming part of the standalone financial statements. 1-48

As per our report of even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No: 105047W/W101187

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Prakash Chandra Bhutada
Partner
Membership No: 404621

Dr. D. R. Rao
Executive Chairman
DIN- 00107737

D. Sucheth Rao
Executive Vice Chairman
DIN- 00108880

D. Saharsh Rao
CEO & Managing Director
DIN- 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: May 12, 2026

Place: Hyderabad
Date: May 12, 2026

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

A EQUITY SHARE CAPITAL

	Number of shares	Amount *
Balance as at April 1, 2024	1,28,29,889	1,290.05
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	1,28,29,889	1,290.05
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	1,28,29,889	1,290.05

* includes ₹7.06 received towards forfeiture of equity shares during the earlier years.

B OTHER EQUITY

	Reserves and Surplus					Other Comprehensive Income		Total
	Capital reserve	Securities premium	General reserve	Revaluation reserve	Retained earnings	Equity securities	Re-measurement of defined benefit plans	
Balance as at April 1, 2024	3.32	49,777.35	2,789.65	83.89	74,730.70	(610.06)	(411.01)	1,26,363.84
Profit for the year	-	-	-	-	25,942.54	-	-	25,942.54
Dividends	-	-	-	-	(1,796.18)	-	-	(1,796.18)
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	20.94	(42.13)	(21.19)
Balance as at March 31, 2025	3.32	49,777.35	2,789.65	83.89	98,877.06	(589.12)	(453.14)	1,50,489.01
Profit for the year	-	-	-	-	36,310.50	-	-	36,310.50
Dividends (Refer Note below)	-	-	-	-	(1,539.59)	-	-	(1,539.59)
Other comprehensive income (net of tax)	-	-	-	-	-	33.92	1.24	35.16
Balance as at March 31, 2026	3.32	49,777.35	2,789.65	83.89	1,33,647.97	(555.20)	(451.90)	1,85,295.08

Dividend paid and proposed

In respect of the year ended March 31, 2026, the directors in their meeting held on May 12, 2026, have proposed a dividend of ₹ 34 per equity share of face value of ₹ 10 each. The proposed equity dividend is subject to approval by the shareholders at the Annual General meeting (AGM) and has not been included as a liability in these financial statements. The total estimated amount to be paid with respect to dividend is ₹ 4,362.16.

In respect of the year ended March 31, 2025, the directors proposed a final dividend of ₹12 per equity share of face value of ₹10 each which was approved by the shareholders in the Annual General meeting (AGM) held on July 30, 2025. The total amount of such dividend paid was ₹ 1,539.59.

See accompanying notes forming part of the standalone financial statements. 1-48

As per our report of even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No: 105047W/W101187

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Prakash Chandra Bhutada
Partner
Membership No: 404621

Dr. D. R. Rao
Executive Chairman
DIN- 00107737

D. Sucheth Rao
Executive Vice Chairman
DIN- 00108880

D. Saharsh Rao
CEO & Managing Director
DIN- 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: May 12, 2026

Place: Hyderabad
Date: May 12, 2026

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from operating activities		
Profit before tax	48,773.31	34,537.33
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation expenses	9,173.05	6,554.19
Interest income	(1,005.31)	(1,058.33)
Loss on sale of property, plant and equipment, net	527.38	731.06
Gain on sale of investment properties (Exceptional item)	-	(7,640.36)
Finance costs	2,394.54	829.59
Provision towards/(written back) credit impaired trade receivables	(204.67)	170.06
Gain on redemption of investments carried at FVTPL	(755.47)	-
Gain on fair valuation of investments carried at FVTPL	-	(768.27)
Unrealised foreign exchange loss/(gain), net	134.95	(16.81)
Operating cash flows before working capital changes	59,037.78	33,338.46
Movements in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(12,452.95)	(3,533.50)
Trade receivables	(22,421.18)	5,490.67
Other financial assets	(788.36)	62.98
Other assets	(255.05)	839.80
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	1,696.76	6,087.54
Other financial liabilities	2,007.76	(2,390.44)
Provision for employee benefits	876.70	(59.19)
Other liabilities	17,396.34	(623.29)
Cash generated from operating activities	45,097.80	39,213.03
Income-taxes paid (net)	(10,339.58)	(7,461.94)
Net cash flow from operating activities (A)	34,758.22	31,751.09
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets	(39,713.21)	(20,644.58)
Proceeds from sale of investments property	-	9,543.13
Proceeds from sale of property, plant and equipment	92.63	116.42
Proceeds from sale/redemption of current investments	26,523.74	-
Purchase of current investments	(15,000.00)	(10,000.00)
Proceeds from redemption/sale of non -current investments (net)	-	2.97
Movement in other bank balances (net)	(15,137.19)	(9,760.76)
Interest income received	860.51	928.98
Net cash used in investing activities (B)	(42,373.52)	(29,813.84)
Cash flows from financing activities		
Proceeds from non-current borrowings	10,560.93	9,477.82
Repayment of non-current borrowings	(4,471.78)	(3,943.53)
Finance cost paid	(1,704.05)	(700.16)
Dividend paid	(1,539.59)	(1,796.18)
Payment of lease liabilities	(52.57)	(404.05)
Interest on lease liabilities	(695.19)	(137.68)
Net cash flow from financing activities (C)	2,097.75	2,496.22
Net (decrease)/ increase in cash and cash equivalents during the year (A + B + C)	(5,517.55)	4,433.47
Cash and cash equivalents at the beginning of the year	13,037.90	8,606.57
Effect of exchange rate changes on cash and cash equivalents	10.46	(2.14)
Cash and cash equivalents at the end of the year (Refer Note 10)	7,530.81	13,037.90

See accompanying notes forming part of the standalone financial statements. 1-48

As per our report of even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No: 105047W/W101187

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Prakash Chandra Bhutada
Partner
Membership No: 404621

Dr. D. R. Rao
Executive Chairman
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CEO & Managing Director
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Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: May 12, 2026

Place: Hyderabad
Date: May 12, 2026

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

1. CORPORATE INFORMATION

Neuland Laboratories Limited ("the Company") is a public limited company incorporated and domiciled in India. The Company's registered office is at 11th floor (5th level, Phoenix IVY III Building Plot No. 573A, Road Number 82, Jubilee Hills, Hyderabad 500033. The shares of the Company are listed on two recognised stock exchanges of India viz. the National Stock Exchange of India Limited and BSE Limited. The Company is engaged in manufacturing and selling of bulk drugs and caters to both domestic and international markets.

2. BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS

Statement of Compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified under Section 133 of the Companies Act 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, as amended, issued by the Ministry of Corporate Affairs ('MCA') and presentation requirements of Division II of Schedule III to the Act, as applicable to the standalone financial statements.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date March 31, 2026.

These standalone financial statements have been prepared on the historical cost convention and on an accrual basis except for the following material items in the balance sheet:

- Certain financial assets and liabilities which are measured at fair value;

- Net defined benefit assets / (liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

(i) Use of estimates and judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

- Note (c), (e), (f) and (g) - Useful lives of property, plant and equipment, investment properties, goodwill and other intangible assets;
- Note (h) - Impairment;
- Note (i) - Financial instruments;
- Note (o) - Employee benefits;
- Note (s) - Provisions, contingent liabilities and contingent assets; and

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

- Note (q) - Income taxes

(ii) Summary of material accounting policies

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

a. Functional currency

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

b. Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II – Ind AS Schedule III to the Act.

Based on nature of product and activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

c. Property, plant and equipment (PPE)

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes (other than those subsequently recoverable from tax authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with

the item will flow to the Company and the cost of item can be measured reliably. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

An item of PPE and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances. Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on PPE is calculated on pro-rata basis on straight-line method using the useful lives of the assets estimated by management as prescribed in Schedule II to the Act. The useful life is as follows:

Asset	Useful Life (in years)
Buildings	25 & 30
Plant and equipment	7 to 20
Office equipment	2 to 5
Furniture and fixtures	2 to 10
Vehicles	4 & 8
Computers	3 & 6

Land is not depreciated

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / upto the date on which asset is ready for use / disposed-off.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

The useful lives are based on historical experience with similar assets as well as anticipation of future events. The residual values are not more than 5% of the original cost of the assets. The residual values, useful lives and method of depreciation of are reviewed at each financial year-end and adjusted prospectively, if appropriate.

d. Leases :

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.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

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 cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The

right-of-use assets is depreciated using the straightline method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. 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. 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 shall include fixed payments, variable lease payments, 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

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

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 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.

e. Investment properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. When the use of a property changes from owner occupied to investment property, the property is reclassified as investment property at it's carrying amount on the date of reclassification.

The useful life of investment property is estimated at 60 years based on technical evaluation performed by management's expert.

f. Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net

assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Where goodwill has been allocated to a cash generating unit and part of the operation within that

unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

g. Other intangible assets

Other intangible assets are stated at cost of acquisition less accumulated amortization and impairment loss, if any. These are derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The other intangible assets comprise of computer software expenditure and are amortized over a period of three years. The amortization period and the amortization method for an intangible asset is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

h. Impairment

Impairment of non-financial assets

The carrying amounts of the Company's PPE and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the statement of profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

i. Financial instruments

Initial Recognition and measurement

Trade receivables 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.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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 ("FVTOCI") – debt investment;

- FVTOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

FVTOCI – debt investment

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

- 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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

Equity investment

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 (designated as FVTOCI – equity investment). This election is made on an investment by-investment basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit or loss.

FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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, or 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 statement of 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 statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

De-recognition

Financial assets

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

Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

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

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates. Derivatives are initially measured at fair value and subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss, since the Company’s hedging instruments did not qualify for hedge accounting in accordance with the Ind-AS 39. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term

deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash at banks, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Dividend distribution to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

j. Inventories

Basis of valuation:

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods are measured at the lower of cost and net realisable value.

The Cost of raw materials, stores and consumables has been determined by using weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

The Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on weighted average basis.

Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of engineering spares (such as machinery spare parts) and consumables or consumed as indirect materials in the manufacturing process.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

k. Foreign currency transactions

On initial recognition, Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

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

l. Investments in the nature of equity in subsidiaries

The Company has elected to recognise its investments in equity instruments in subsidiaries at cost in the separate financial statements in accordance with the option available in Ind AS 27, ‘Separate Financial Statements’. The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if it has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with Ind AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

m. Revenue recognition

Revenue from contract with customers

The Company derives revenues primarily from sale of active pharmaceutical ingredients and contract research services. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. the customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Company performs; or
- ii. the Company’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. the Company’s performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue in excess of invoicing are classified as contract asset /unbilled revenue while collections in excess of revenues are classified as contract liabilities / advance from customers.

In respect of contracts involving bill-and-hold arrangements, the Company determines whether the control of the underlying products have been transferred to the customer. For the purpose of determining whether such control is transferred, the entity considers

the following requirements as required by Ind AS 115:

- i. The reason for the bill-and-hold arrangement is substantive (i.e. the physical possession with the entity is pursuant to the customer’s explicit request);
- ii. The product is separately identified as belonging to the customer;
- iii. The product is ready for physical transfer to the customer; and
- iv. The entity does not have the ability to use the product or to direct it to another customer.

The Company recognizes revenue in respect of bill-and-hold arrangements only when all of the aforementioned requirements are met. Further, at the time of such recognition, the entity also determines whether there are any material unsatisfied performance obligations and determines the portion of the aggregate consideration, if any, that needs to be allocated and deferred.

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 adjust any of the transaction prices for the time value of money.

Other operating revenue - Export incentives

The Company recognises exports incentives only when there is reasonable assurance that the conditions attached to them will

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

be complied with, and the incentives will be received.

Other income - Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other income - Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally, when shareholders approve the dividend.

n. 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 acquisition or construction of an asset which necessarily take a substantial

period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o. Retirement and other employee benefits

Defined contribution plan

The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

Defined benefit plan

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through remeasurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The effect of any plan amendments are recognised in the statement of profit and loss.

p. Taxes

Tax expense recognized in statement of profit or loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted or substantively enacted at the reporting date. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the balance sheet method on temporary differences between the carrying amounts of assets and liabilities in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent

that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or inequity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

q. Research and development expense

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognized as expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if:

- The product or the process is technically and commercially feasible;
- Future economic benefits are probable and ascertainable;
- The Company intends to and has sufficient resources, technical and financial, to complete development of the product and has the ability to use or sell the asset; and
- Development costs can be measured reliably.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Where the aforementioned criteria are not met, the expenditure is transferred to statement of profit and loss.

r. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

s. Exceptional items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are

significant restructuring charges, gains or losses on disposal of investments in subsidiaries, impairment losses/write down in value of investment in subsidiaries, significant disposal of property, plant and equipment, investment property etc.

- (iii) Standards (including amendments) issued but not yet effective

Amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants:

The amendment includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, retrospectively, as outlined below:

- a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.
- b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.
- c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

The Company does not expect this amendment to have an impact on its operations or financial statements.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

3(a) PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Leasehold Improvements	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
Gross carrying value (at cost/ deemed cost)									
Balance as at April 1, 2024	2,874.83	20,488.15	-	48,952.34	258.45	488.65	2,080.51	1,580.30	76,723.23
Additions for the year	434.26	3,208.91	-	16,473.28	61.02	91.67	561.95	268.00	21,099.09
Disposals	-	(278.32)	-	(4,659.95)	(53.75)	(50.67)	(329.63)	(192.68)	(5,565.00)
Balance as at March 31, 2025	3,309.09	23,418.74	-	60,765.67	265.72	529.65	2,312.83	1,655.62	92,257.32
Additions for the year	1,758.72	3,404.63	817.37	14,779.27	419.81	147.52	470.14	718.36	22,515.82
Disposals	-	(0.55)	-	(1,851.74)	-	-	(229.07)	-	(2,081.36)
Balance as at March 31, 2026	5,067.81	26,822.82	817.37	73,693.20	685.53	677.17	2,553.90	2,373.98	112,691.78
Accumulated depreciation									
Balance as at April 1, 2024	-	4,078.92	-	19,656.53	131.17	179.53	772.44	855.68	25,674.27
Charge for the year	-	950.67	-	4,164.33	48.98	47.00	437.15	282.11	5,930.24
Disposals	-	(73.96)	-	(4,123.32)	(48.91)	(44.02)	(246.44)	(180.87)	(4,717.52)
Balance as at March 31, 2025	-	4,955.63	-	19,697.54	131.24	182.51	963.15	956.92	26,886.99
Charge for the year	-	913.78	20.97	6,035.39	64.72	56.06	528.70	326.75	7,946.37
Disposals	-	(0.44)	-	(1,324.13)	-	-	(156.68)	-	(1,481.25)
Balance as at March 31, 2026	-	5,868.97	20.97	24,408.80	195.96	238.57	1,335.17	1,283.67	33,352.11
Net carrying value as at March 31, 2025	3,309.09	18,463.11	-	41,068.13	134.48	347.14	1,349.68	698.70	65,370.33
Net carrying value as at March 31, 2026	5,067.81	20,953.85	796.40	49,284.40	489.57	438.60	1,218.73	1,090.31	79,339.67

Notes:

- Refer Note 14 for details of property, plant and equipment subject to charge on secured borrowings.
- During the year the Company has capitalised interest costs on specified borrowings amounting to ₹ Nil (March 31, 2025: ₹ 300.73) with the effective interest rate for capitalisation was approx Nil (March 31, 2025: 8.7%).
- Following land's title deed is under dispute:

Relevant line in the Balance Sheet	Description of item of property	Gross carrying amount	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of Company
Property, plant and equipment	Land	3.30	Neuland Health Sciences Private limited (NHSPL)	No	May 30, 2005*	NHSPL got merged with Neuland Laboratories Limited; the title deed is pending to be transferred in the name of the Company because of dispute referred in Note 40 (b)

*The property was held by NHSPL since May 30, 2005 and has became part of Company's Property, plant and equipment subsequent to the merger.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

3(b). CAPITAL WORK-IN PROGRESS (CWIP)

(i) Capital work-in-progress

CWIP	As at April 1, 2025	Added during the year	Capitalised during the year	Closing as at March 31, 2026
Amount	4,455.29	39,010.43	(22,515.82)	20,949.90
CWIP	As at April 1, 2024	Added during the year	Capitalised during the year	Closing as at March 31, 2025
Amount	4,589.13	20,965.25	(21,099.09)	4,455.29

(ii) For Capital-work-in progress ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026					
Projects in progress	20,086.23	863.67	-	-	20,949.90
Projects temporarily suspended	-	-	-	-	-
CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025					
Projects in progress	4,434.10	21.19	-	-	4,455.29
Projects temporarily suspended	-	-	-	-	-

Notes:

- 1
- Project execution plans are reviewed periodically on the basis of management judgement and estimates w.r.t future technology and development/economy/industry/regulatory environment and all the projects are assessed as per periodic plans.
- 2
- During the year the Company has capitalised interest costs on specified borrowings amounting to ₹ 148.93 (March 31, 2025: ₹ Nil) with the effective interest rate for capitalisation was approx 7.3% (March 31, 2025: Nil).
- 3
- Contractual Obligation: Refer Note 39 for details of contractual Commitments for acquiring Property, plant and equipment.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

4(a) OTHER INTANGIBLE ASSETS

	Computer Software (Acquired)
Gross carrying value (at cost/deemed cost)	
Balance as at April 1, 2024	1,081.50
Additions for the year	60.90
Deletion	(18.35)
Balance as at March 31, 2025	1,124.05
Additions for the year	587.98
Deletion	(93.84)
Balance as at March 31, 2026	1,618.19
Accumulated amortisation	
Balance as at April 1, 2024	835.69
Charge for the year	132.39
Deletion	(18.35)
Balance as at March 31, 2025	949.73
Charge for the year	224.28
Deletion	(73.94)
Balance as at March 31, 2026	1,100.07
Net carrying value as at March 31, 2025	174.32
Net carrying value as at March 31, 2026	518.12

4 (b) INTANGIBLE ASSETS UNDER DEVELOPMENT

(i) Capital work-in-progress

Intangible assets under development	As at April 1, 2025	Addition during the year	Capitalised during the year	As at March 31, 2026
Computer Software	311.08	385.36	(587.98)	108.46
Intangible assets under development	As at April 1, 2024	Addition during the year	Capitalised during the year	As at March 31, 2025
Computer Software	-	371.98	(60.90)	311.08

(ii) For Intangible assets under development ageing schedule

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026					
Projects in progress	108.46	-	-	-	108.46
Projects temporarily suspended	-	-	-	-	-
Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025					
Projects in progress	311.08	-	-	-	311.08
Projects temporarily suspended	-	-	-	-	-

Project execution plans are reviewed periodically on the basis of management judgement and estimates w.r.t future technology and development/economy/industry/regulatory environment and all the projects are assessed as per periodic plans.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

5. INVESTMENTS

	As at March 31, 2026	As at March 31, 2025
Non-current		
Investments in unquoted equity shares (fully paid up, unless stated otherwise)		
In subsidiaries (carried at cost)		
300,000 (March 31, 2025: 300,000) equity shares of Japan Yen 10 each in Neuland Laboratories K.K., Japan, representing 100% shareholding	15.37	15.37
1,000 (March 31, 2025: 1,000) equity shares of USD 1 each in Neuland Laboratories Inc., USA, representing 100% shareholding	0.45	0.45
In others (carried at fair value through other comprehensive income) (Refer Note 5 below)		
2,200 (March 31, 2025: 2,200) equity shares of ₹100 each in Jeedimetla Effluent Treatment Limited (JETL)	31.86	25.58
209,136 (March 31, 2025: 209,136) equity shares of ₹10 each in Patancheru Enviro Tech Limited (PETL)	166.36	127.31
Total non-current investments	214.04	168.71
Note:		
Aggregate value of unquoted investments	214.04	168.71
Change in fair value of the investments during the year	45.33	26.62
Current		
Investment in unquoted mutual funds (carried at fair value through profit or loss)		
Nil (March 31, 2025: 1,66,79,894.751) units in HDFC Short-term Debt	-	5,385.17
Nil (March 31, 2025: 84,03,112.016) units in ICICI Prudential Short-term Debt	-	5,383.10
	-	10,768.27
In others (carried at fair value through other comprehensive income)		
402,000 (March 31, 2025: 402,000) equity shares of ₹10 each in Andhra Pradesh Gas Power Corporation Limited	750.00	750.00
Less: Impairment of investments in Andhra Pradesh Gas Power Corporation Limited	(750.00)	(750.00)
	-	-
Total current investments	-	10,768.27
Notes:		
Aggregate book value of unquoted current investments at cost	-	10,000.00
Change in fair value of the investments during the year	-	768.27
Total amount of impairment during the year	-	-
Aggregate amount of impairment in value of investments	750.00	750.00

Investments in JETL and PETL are in the nature of investments in equity instruments which are not held for trading. Instead, they are held for long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at fair value through other comprehensive income ('FVTOCI'), irrevocably, as the Management believes that this provides a more meaningful presentation for long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

The investment was recognised initially at transaction cost and irrevocably designated at FVTOCI.

Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

6. OTHER FINANCIAL ASSETS

	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good)		
Non-current		
Security deposits (Refer Note 38)	1,177.92	919.05
	1,177.92	919.05
Current		
Interest accrued on bank deposits	316.53	171.73
Unbilled revenue	117.28	49.83
	433.81	221.56

Note:

Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.

7. OTHER ASSETS

	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good)		
Non-current		
Prepaid expenses	14.79	23.31
Capital advances (Refer Note 39)	4,121.11	1,513.13
Balances with government authorities	23.37	23.37
	4,159.27	1,559.81
Current		
Prepaid expenses	1,365.75	1,166.36
Advance to suppliers	1,144.99	2,215.80
Balances with government authorities	3,925.70	2,904.97
Export benefits receivable	740.38	626.02
Other advances	1.94	4.25
	7,178.76	6,917.40

8. INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

	As at March 31, 2026	As at March 31, 2025
Raw materials [including goods in transit of ₹ 408.19 (March 31, 2025 : Nil)]	20,774.32	14,173.44
Work-in-progress	24,958.08	15,530.20
Finished goods	3,857.82	6,859.47
Stores and consumables	1,438.42	2,012.58
	51,028.64	38,575.69

Notes:

- Refer Note 14 for information on inventories hypothecated as security by the company.
- Write-down of inventories to net realisable value amounted to ₹ 227.82 (March 31, 2025: ₹ 302.02). These were recognised as an expense during the year and was included in changes in inventories of finished goods and work-in-progress and cost of materials consumed in the statement of profit and loss.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

9. TRADE RECEIVABLES

	As at March 31, 2026	As at March 31, 2025
Trade receivables unsecured, considered good	54,135.31	31,572.06
Trade receivables - credit impaired	29.01	237.85
	54,164.32	31,809.91
Less: Allowance for credit impaired	(29.01)	(237.85)
	54,135.31	31,572.06

Notes:

- i.

No trade receivables are due from any related parties including directors or other officers of the Company either severally or jointly with any other person.
- ii.

Refer Note 31 for fair value measurement and refer note 32 for the Company's credit risk management process.
- iii.

Refer Note 14 for information on Trade receivables hypothecated as security by the company.
- iv.

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days.
- v.

Trade receivables balance from the Company's largest customers individually representing more than 5% of total trade receivables balance as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Number of customers	3	4
Amount	23,885.73	13,951.14

- vi.

Movement in the allowance for credit impaired trade receivables is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	237.85	63.15
Allowance for/reversal of credit impaired trade receivables	(134.14)	170.06
Effect of changes in the foreign exchange rates	0.58	4.64
Credit impaired trade receivables written off during the year	(75.28)	-
Balance at the end of the year	29.01	237.85

- vii.

Trade Receivables ageing schedule

March 31, 2026

Particulars	Not Due	Outstanding for following periods from due date of Receipts					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	47,614.19	6,521.12	-	-	-	-	54,135.31
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	24.27	-	4.74	-	29.01
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of Receipts					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross Receivables	47,614.19	6,521.12	24.27	-	4.74	-	54,164.32
Less: Allowance for credit impaired	-	-	24.27	-	4.74	-	29.01
Total	47,614.19	6,521.12	-	-	-	-	54,135.31

March 31, 2025

Particulars		Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	25,600.36	5,906.15	65.16	0.39	-	-	31,572.06
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	84.39	142.77	6.72	0.15	3.82	237.85
(iv)	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross Receivables		25,600.36	5,990.54	207.93	7.11	0.15	3.82	31,809.91
Less: Allowance for credit impaired		-	84.39	142.77	6.72	0.15	3.82	237.85
Total		25,600.36	5,906.15	65.16	0.39	-	-	31,572.06

10. CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Balance with banks:		
in current accounts	2.42	11.56
in exchange earners foreign currency accounts	6,610.63	3,882.06
in deposits with maturity of less than 3 months	-	6,305.00
in cash credit accounts	911.55	2,835.61
Cash on hand	6.21	3.67
	7,530.81	13,037.90

Note:

Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Unpaid dividend accounts	23.28	19.88
Deposits with maturity of more than 3 months but less than 12 months*	27,806.17	12,668.98
	27,829.45	12,688.86

Note:

Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.

*Includes deposits amounting to ₹ 2,806.17 (March 31, 2025: ₹ 1,411.98) held as margin money/commitment with the banks.

12. EQUITY SHARE CAPITAL

	As at March 31, 2026		As at March 31, 2025	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹10 each	4,40,00,000	4,400.00	4,40,00,000	4,400.00
Issued share capital				
Equity shares of ₹10 each, fully paid-up	1,30,23,434	1,302.34	1,30,23,434	1,302.34
Subscribed share capital				
Equity shares of ₹10 each, fully paid-up	1,29,33,165	1,293.32	1,29,33,165	1,293.32
Fully paid-up share capital				
Equity shares of ₹10 each	1,28,29,889	1,282.99	1,28,29,889	1,282.99
Add: Forfeited equity shares of ₹10 each		7.06		7.06
Total		1,290.05		1,290.05

Notes:

i. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Number	Amount	Number	Amount
Equity shares				
Balance at the beginning of the year	1,28,29,889	1,282.99	1,28,29,889	1,282.99
Add: Issued during the year	-	-	-	-
Balance at the end of the year	1,28,29,889	1,282.99	1,28,29,889	1,282.99

ii. Rights, preferences and restrictions attached to equity shares:

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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. The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

iii. Details of shareholders holding more than 5% equity shares in the Company :

Name of the equity shareholders	As at March 31, 2026		As at March 31, 2025	
	Number	Holding	Number	Holding
Davuluri Ownership Trust	33,33,352	25.98%	33,33,352	25.98%
Malabar India Fund Limited	7,24,737	5.65%	7,39,204	5.76%

iv. Details of Equity shares held by Promoters at the end of the year :

S. No	Promoter name	March 31, 2026			March 31, 2025		
		No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
1	Davuluri Ownership Trust	33,33,352	25.98%	-	33,33,352	25.98%	25.98%
2	Dr. Davuluri Rama Mohan Rao	2,09,300	1.63%	-	2,09,300	1.63%	(19.96%)
3	Davuluri Vijaya Rao^	5,000	0.04%	-	5,000	0.04%	(4.74%)
4	Davuluri Sucheth Rao	2,57,969	2.01%	-	2,57,969	2.01%	(0.62%)
5	Davuluri Saharsh Rao	1,95,125	1.52%	(0.10%)	2,07,625	1.62%	(0.62%)
6	Davuluri Rohini Niveditha Rao^	85,780	0.67%	-	85,780	0.67%	-
7	Deepthi Davuluri^	12,500	0.10%	0.10%	-	-	-
8	Gannabathula Venkata Krishna Rama Rao	6,627	0.05%	(0.20%)	31,827	0.25%	(0.03%)
9	Gannabathula Veeravenkata Satyanarayanamurty^	31,222	0.24%	0.07%	21,222	0.17%	(0.02%)
10	Gannabathula Uma Bala^	6,409	0.05%	-	6,409	0.05%	-
11	Usha Rani Reddy Chevalla^	28,500	0.22%	(0.04%)	33,500	0.26%	(0.06%)
12	G V V Sriranganayakamma^	9,000	0.07%	0.07%	-	-	-
13	Kommula Kamala Tayaramma^	6,000	0.05%	0.05%	-	-	-
14	Velugubanti S Prasadarao^	100	0.00%	-	100	0.00%	-
15	Suryanarayana M Siram^	100	0.00%	-	100	0.00%	-
Total		41,86,984	32.63%	(0.05%)	41,92,184	32.68%	(0.06%)

^Part of Promoter Group

v. Aggregate number of shares issued for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date:

There are no such shares issued, allotted or bought back during the period of five years immediately preceeding the reporting date.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

13. OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
Reserves and surplus		
Capital reserve	3.32	3.32
Securities premium	49,777.35	49,777.35
General reserve	2,789.65	2,789.65
Revaluation reserve	83.89	83.89
Retained earnings	1,33,647.97	98,877.06
Total reserves and surplus	1,86,302.18	1,51,531.27
Other comprehensive income		
Equity securities, net of taxes	(555.20)	(589.12)
Remeasurement of defined benefit plan, net of taxes	(451.90)	(453.14)
Total Other Comprehensive Income	(1,007.10)	(1,042.26)
	1,85,295.08	1,50,489.01

Notes :

Nature and purpose of reserves

Capital reserve

Capital reserve was created on account of merger of Neuland Drugs & Pharmaceuticals Private Limited with the Company. The capital reserve can be utilised in accordance with the provisions of the Act.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balances	3.32	3.32

Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and face value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balances	49,777.35	49,777.35

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balances	2,789.65	2,789.65

Revaluation reserve

Revaluation reserve was created on account of revaluation of certain property, plant and equipment during the earlier years.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balances	83.89	83.89

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Retained earnings

Retained earnings represent the Company's undistributed earnings after taxes.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	98,877.06	74,730.70
Add: Profit for the year	36,310.50	25,942.54
Less: Final dividend	(1,539.59)	(1,796.18)
Closing Balance	1,33,647.97	98,877.06

FVTOCI equity instruments

The Company has elected to recognise the change in fair value of certain investments in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	(589.12)	(610.06)
Add: Fair valuation changes for the year net of income tax	33.92	20.94
Closing Balance	(555.20)	(589.12)

Remeasurement of defined benefit plan

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit plan of the Company. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit and loss.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	(453.14)	(411.01)
Add: Remeasurement of net defined benefit liability net of income tax	1.24	(42.13)
Closing Balance	(451.90)	(453.14)

14. BORROWINGS

	As at March 31, 2026	As at March 31, 2025
Non-current		
Secured		
Term loans		
From banks	19,051.64	13,073.30
Vehicle loans		
From financial institutions	609.67	527.71
	19,661.31	13,601.01
Less: Current maturities of long-term borrowings	3,566.58	4,528.27
	16,094.73	9,072.74

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Notes :

(a) Terms of repayment of term loans:

Loan	Currency	As at March 31, 2026	As at March 31, 2025	Number of instalments	Repayment start date	Basis of Interest
Term Loan 1	INR	-	481.29	28/ Quarterly	March'19	3M Repo Rate +spread (2%)
Term Loan 2	INR	-	267.86	28/ Quarterly	April'19	3M Repo Rate +spread (2%)
Term Loan 3	INR	349.85	1,048.41	20/ Quarterly	Oct'21	3M T Bill +spread (1.6%)
Term Loan 4	USD	1,095.42	1,972.00	20/ Quarterly	June'22	1.80%
Term Loan 5	INR	7,318.25	9,203.74	20/ Quarterly	June'25	6 M MCLR
Term Loan 6	INR	8,556.00	100.00	20/ Quarterly	June'27	3M T Bill +spread (1.85%)
Term Loan 7	INR	1,732.12	-	20/ Quarterly	May'27	Repo rate +spread (2.15%)

- (b) The above loans are secured by pari-passu first charge on property, plant and equipment (both present and future) and second charge (hypothecation) on the current assets of the Company.
- (c) Vehicles loans outstanding to the tune of ₹ 609.67 (March 31, 2025: ₹ 527.71) are secured by hypothecation of specific vehicles against which the loan was availed. These vehicle loans are repayable in instalments in 48 months from the date of the loan.
- (d) All the above loans carry interest in the range of 1.8% to 8.9% per annum as at March 31, 2026 (March 31, 2025: 1.8% to 9.0% per annum) being floating and fixed rate.
- (e) The Company has utilised the Borrowings for the pupose for which it has obtained as mentioned in the respective agreements.
- (f) Refer Note 32 for the Maturity profile of borrowings including current maturities.
- (g) Refer Note 31 for fair value measurement.

14. BORROWINGS

	As at March 31, 2026	As at March 31, 2025
Current		
Current maturities of long-term borrowings	3,566.58	4,528.27
	3,566.58	4,528.27

Notes:

- (i) The Company has access to financing facilities in the form of Letter of Credit / Bank Guarantee / Buyers Credit / Cash Credit facilities of ₹ 60,000.00 out of which ₹ 26,662.55 were not used (March 31, 2025 : ₹ 35,140.00 out of which ₹ 30,082.26 were not used) at the end of the reporting period.
- (ii) The loans with all working capital lenders are secured by way of pari-passu first charge on all the current assets of the Company and pari-passu second charge on Company's property, plant and equipment.
- (iii) The quarterly returns/statements submitted with banks are in agreement with the books of accounts.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

15. PROVISIONS

	As at March 31, 2026	As at March 31, 2025
Non-current		
Gratuity (Refer Note below and Note 38)	951.42	178.70
Compensated absences [Refer Note (vi) below]	566.31	485.04
	1,517.73	663.74
Current		
Compensated absences [Refer Note (vi) below]	230.78	209.72
	230.78	209.72

Notes:

Gratuity

The Company has a defined benefit funded gratuity plan and it operates through Neuland Laboratories Limited employee group gratuity trust ("the Trust") except for contract workman engaged through contractors. Every employee who has completed service of five years or more and one year or more in case of fixed term employees gets a gratuity on departure at 15 days wages (as defined as per New Labour Code) for each completed year of service. The Company has subscribed to a group gratuity scheme of Life Insurance Corporation of India (LIC) and SBI Life and contributes the gratuity liability to the Trust. Under the said policy, the eligible employees are entitled for gratuity upon their resignation or in the event of death in lumpsum after deduction of necessary taxes up to a maximum limit of ₹20.

The following table set out the status of the gratuity plan and the reconciliation of opening and closing balances of the present value and defined benefit obligation.

	As at/ For the year ended		As at/ For the year ended
	March 31, 2026		March 31, 2025
	Funded	Unfunded	Funded
(i) Change in projected benefit obligation			
Projected benefit obligation at the beginning of the year	2,208.80	-	1,999.25
Service cost	225.15	136.07	164.12
Past service cost	766.62	-	-
Interest cost	144.17	-	127.23
Actuarial loss	38.84	-	95.83
Benefits paid	(276.02)	-	(177.63)
Projected benefit obligation at the end of the year	3,107.56	136.07	2,208.80
(ii) Change in plan assets			
Fair value of plan assets at the beginning of the year	2,030.10	-	1,682.07
Value adjustment	40.49	-	39.53
Expected return on plan assets	136.24	-	121.07
Employer contributions	360.00	-	360.00
Benefits paid	(274.62)	-	(172.57)
Fair value of plan assets at the end of the year	2,292.21	-	2,030.10

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	As at/ For the year ended		As at/ For the year ended
	March 31, 2026		March 31, 2025
	Funded	Unfunded	Funded
(iii) Reconciliation of present value of obligation on the fair value of plan assets			
Present value of projected benefit obligation at the end of the year	3,107.56	136.07	2,208.80
Funded status of the plans	(2,292.21)	-	(2,030.10)
Net liability recognised in the balance sheet	815.35	136.07	178.70
(iv) Expense recognised in the statement of profit and loss			
Service cost	991.77	136.07	164.12
Interest cost	144.17	-	127.23
Expected returns on plan assets	(136.24)	-	(121.07)
Net gratuity costs	999.70	136.07	170.28
(v) Expense recognised in OCI			
Recognised net actuarial (gain)/ loss	(1.65)	-	56.30
	(1.65)	-	56.30
(vi) Key actuarial assumptions for Gratuity and Compensated absences			
Financial assumptions			
Discount rate	6.86%	6.64%	6.69%
Expected return on plan assets	6.69%	-	7.17%
Withdrawal Rate	Service Based: <5 years : 30% >= 5 years : 15%	30.00%	Service Based: <5 years : 30% >= 5 years : 15%
Salary escalation rate	7.00%	4.50%	7.00%
Demographic assumptions			
Mortality rate as per Indian Assured Lives Mortality 2012-14 table			
(vii) Sensitivity Analysis			
The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate and salary escalation rate. The calculation of the net defined benefit liability is sensitive to respective assumptions, while holding all other assumptions constant. Sensitivity to these factors is disclosed below.			
Projected defined benefit obligation	3,107.56	136.07	2,208.80
Discount rate + 100 basis points	2,988.10	131.98	2,149.00
Discount rate - 100 basis points	3,234.42	140.42	2,305.29
Salary increase rate + 100 basis points	3,212.24	141.14	2,319.07
Salary increase rate - 100 basis points	3,001.35	131.23	2,129.11
The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Company to manage its risks from prior periods.			

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	As at/ For the year ended		As at/ For the year ended
	March 31, 2026		March 31, 2025
	Funded	Unfunded	Funded
(viii) Maturity analysis of projected benefit obligation			
1 year	564.16	28.60	444.93
2 to 5 years	1,594.66	78.52	1,092.21
6 to 10 years	669.24	24.98	483.59
More than 10 years	279.50	3.97	188.06

16. DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities arising on account of :		
Property, plant and equipment, goodwill and other intangible assets	7,453.55	7,281.25
Fair value of investments	44.07	208.44
Deferred tax assets arising on account of :		
Employee benefits payable	(476.27)	(246.14)
Allowance for credit impaired trade receivables	(7.30)	(58.67)
Lease liability net of right-of-use assets	(271.70)	(28.81)
Deferred tax liabilities (net)	6,742.35	7,156.07

2025-26	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities /(assets) in relation to:				
Property, plant and equipment, goodwill and other intangible assets	7,281.25	172.30	-	7,453.55
Employee benefits payable	(246.14)	(230.54)	0.41	(476.27)
Allowance for credit impaired trade receivables	(58.67)	51.37	-	(7.30)
Lease liability net of right-of-use assets	(28.81)	(242.89)	-	(271.70)
Fair value of investments	208.44	(175.78)	11.41	44.07
Total	7,156.07	(425.54)	11.82	6,742.35

2024-25	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities /(assets) in relation to:				
Property, plant and equipment, goodwill and other intangible assets	7,178.66	102.59	-	7,281.25
Employee benefits payable	(242.95)	10.63	(13.82)	(246.14)
Allowance for credit impaired trade receivables	(15.89)	(42.78)	-	(58.67)
Lease liability net of right-of-use assets	(16.74)	(12.07)	-	(28.81)
Fair value of investments	25.96	175.78	6.70	208.44
Investment property	(995.34)	995.34	-	-
Total	5,933.70	1,229.49	(7.12)	7,156.07

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

17. TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer Note 43)	1,264.29	843.04
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note 38)	26,601.81	25,247.16
	27,866.10	26,090.20

Notes:

- i. Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.
- ii. The above amount includes amounts payable to subsidiaries. [Refer Note 38 (c)]
- iii. The Trade payables are non interest bearing and are normally settled within the due date of amount payable.
- iv. Trade payables ageing schedule:

March 31, 2026	Current					
Particulars	Payables Not Due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,264.29	-	-	-	-	1,264.29
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	15,877.38	4,422.10	4,422.32	1,880.01	-	26,601.81
(iv) Disputed dues - Others	-	-	-	-	-	-
	17,141.67	4,422.10	4,422.32	1,880.01	-	27,866.10

March 31, 2025	Current					
Particulars	Payables Not Due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	770.93	72.11	-	-	-	843.04
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	16,301.83	8,119.70	819.44	5.51	0.68	25,247.16
(iv) Disputed dues - Others	-	-	-	-	-	-
	17,072.76	8,191.81	819.44	5.51	0.68	26,090.20

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

18. OTHER FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Current		
Interest accrued but not due on borrowings	5.88	10.58
Interest accrued on micro enterprises and small enterprises payable (Refer Note 43)	5.87	13.74
Unclaimed dividends	23.28	19.88
Capital creditors* (Refer Note 43)	3,109.48	791.91
Employee benefits payable (Refer Note 38)	3,875.26	2,743.30
Accrual for expenses (Refer Note 38)	5,622.58	4,742.30
	12,642.35	8,321.71

Note:

Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.

* includes outstanding dues of MSME ₹ 928.96 (March 31, 2025: ₹ 102.96)

19. OTHER LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Current		
Advances from customers	24,450.05	7,264.21
Liability towards Corporate Social Responsibility ('CSR') expenditure [Refer Note 28 (i)]	13.83	64.67
Statutory liabilities	845.52	553.90
	25,309.40	7,882.78

20. REVENUE FROM OPERATIONS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contracts with customers		
Sale of products	1,88,735.31	1,37,766.51
Sale of services*	4,476.59	5,671.70
Other operating revenues		
Sale of impurities	173.26	387.16
Sale of scrap	6,469.75	1,544.21
Export incentives	2,443.63	2,314.15
	2,02,298.54	1,47,683.73

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Disaggregation of revenue

Revenue based on Geography

	For the year ended March 31, 2026	For the year ended March 31, 2025
India	48,409.19	47,563.99
Europe	67,544.32	42,909.39
USA and North America	71,345.10	42,213.05
Rest of the world	14,999.93	14,997.30
	2,02,298.54	1,47,683.73

Notes:

Performance Obligation:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sale of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer. In certain non-standard contracts, where the Company provides warranties in service of consumer durable goods, the same is accounted for as a separate performance obligation and a portion of the transaction price is allocated based on its relative standalone prices. The performance obligation for the warranty service is satisfied over a period of time based on time elapsed.

Remaining performance obligations

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations in case of contracts for which revenues are recorded over a period of time is ₹232.20 (March 31, 2025: ₹211.36), which is expected to be fully recognised as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above and contract asset relating to partially satisfied performance obligations aggregates to ₹117.28 as at March 31, 2026 (March 31, 2025: ₹49.83)

*Reconciliation of revenues from sale of service with the contracted price

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contracted price	4,409.14	5,868.28
Adjustment for:		
Change in unbilled revenue	67.45	(196.58)
Revenue from contract with customers	4,476.59	5,671.70

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

21. OTHER INCOME

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income		
On fixed deposits with banks carried at amortised cost	926.01	957.99
On security deposits at amortised cost	38.95	28.19
On income tax refund	-	33.05
On electricity deposits at amortised cost	40.35	39.10
Net gain on foreign currency transaction and translation	1,056.46	59.57
Gain on redemption of investments carried at FVTPL	755.47	-
Gain on fair valuation of investments carried at FVTPL	-	768.27
Insurance and other claims	-	9.30
Liabilities/provision no longer required written back	199.15	155.39
	3,016.39	2,050.86

22. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw materials at the beginning of the year	14,173.44	9,897.25
Add: Purchases during the year*	88,577.33	61,756.87
Less: Raw materials at the end of the year	20,774.32	14,173.44
Total Cost of raw material consumed	81,976.45	57,480.68

*Disclosed based on derived figures.

23. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening stock		
- Finished goods	6,859.47	8,903.05
- Work-in-progress	15,530.20	14,769.74
	22,389.67	23,672.79
Closing stock		
- Finished goods	3,857.82	6,859.47
- Work-in-progress	24,958.08	15,530.20
	28,815.90	22,389.67
	(6,426.23)	1,283.12

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

24. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages, bonus and other allowances	28,837.66	23,579.77
Contribution to provident and other funds (Refer Note below)	1,366.56	1,086.00
Gratuity expenses (Refer Note 15 and Note 38)	1,135.77	170.28
Compensated absences expenses (Refer Note 15)	284.19	275.69
Staff welfare expenses	1,257.86	1,028.11
	32,882.04	26,139.85

Note: During the year ended March 31, 2026, the Company contributed ₹1,341.63 (March 31, 2025: ₹1,067.36) to provident fund and ₹24.93 (March 31,2025: ₹18.64) towards employee state insurance.

25. FINANCE COSTS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on borrowings	1,171.07	741.99
Interest expense on lease liabilities (Refer Note 41)	695.19	137.68
Interest other costs	152.34	-
Other borrowing costs	524.87	250.65
	2,543.47	1,130.32
Less: Borrowing costs capitalised as a part of property, plant and equipment [Refer Note 3 (a) and Note 3 (b)]	(148.93)	(300.73)
	2,394.54	829.59

26. DEPRECIATION AND AMORTISATION EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment [Refer Note 3(a)]	7,946.37	5,930.24
Depreciation on right-of-use assets (Refer Note 41)	1,002.40	491.56
Amortisation of intangible assets [Refer Note 4(a)]	224.28	132.39
	9,173.05	6,554.19

27. MANUFACTURING EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spare parts	6,800.24	5,777.12
Consumption of packing material	412.75	364.41
Power and fuel	5,814.03	5,056.42
Carriage inwards	263.43	318.63
Repairs and maintenance		
- Buildings	1,031.37	574.54
- Plant and equipment	1,364.28	1,059.56
- Others	1,406.28	1,624.34
Effluent treatment and testing charges	2,069.06	1,511.98
	19,161.44	16,287.00

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

28. OTHER EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Rent (Refer Note 41)	98.56	77.84
Corporate Social Responsibility ('CSR') expenditure (refer note i below)	608.99	491.52
Rates and taxes	760.32	561.35
Travelling and conveyance	2,121.67	1,976.32
Legal and professional fees	4,184.72	2,595.73
Remuneration to statutory auditors (refer note ii below)	73.06	55.39
Insurance	538.28	668.78
Subscription expense	2,225.47	1,729.52
Sales promotion expenses including commission (Refer Note 38)	3,285.25	3,267.95
Freight and forwarding charges	1,882.88	937.89
Provision for credit impaired trade receivables (Refer Note 9)	-	170.06
Loss on sale of property, plant and equipment, net	527.38	731.06
Directors commission (Refer Note 38)	210.00	150.00
Directors sitting fees (Refer Note 38)	36.70	31.00
Miscellaneous expenses	827.05	818.78
	17,380.33	14,263.19

Notes:

(i) Details of CSR expenditure :

As per Section 135 of the Companies Act, 2013, the required CSR expenditure for the year ended March 31, 2026 was ₹ 608.99 (March 31, 2025: ₹ 491.52). During the year, amounts were primarily utilised towards promoting education, skill development, women’s empowerment, health and well-being, clean water and sanitation, development of village infrastructure, and environmental sustainability.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Amount required to be spent by the company during the year	608.99	491.52
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	595.16	415.17
c) Excess spend of prior years set off during the year	-	11.68
d) Shortfall/(Excess) at the end of the year [(d)=(a)-(b)-(c)]	13.83*	64.67*

*The unspent amount on ongoing projects has been transferred to separate unspent CSR bank account on April 27, 2026 (March 31, 2025 : April 24, 2025)

Amount of shortfall as at April 01, 2025 (In separate CSR unspent account)	Amount required to be spent during the year	Amount spent during the year		Amount of shortfall as at March 31, 2026
		From bank account	From separate CSR unspent account	
64.67	608.99	595.16	64.67	13.83

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Amount of shortfall as at April 01, 2024 (In separate CSR unspent account)	Amount required to be spent during the year	Amount spent during the year		Amount of shortfall as at March 31, 2025
		From bank account	From separate CSR unspent account	
-	491.52	426.85	-	64.67
e) Reason for shortfall		Pertains to ongoing projects	Pertains to ongoing projects	
f) Nature of ongoing projects		Environmental sustainability projects	Promoting education, and environmental sustainability projects	

(ii) Details of remuneration to statutory auditors (net of applicable taxes) :

	For the year ended March 31, 2026	For the year ended March 31, 2025
As auditor:		
- Statutory audit, limited review and tax audit	55.00	49.50
In other capacity:		
- Certifications	2.86	2.20
- Reimbursement of expenses	2.20	3.69
- BRSR services (provided by Affiliated network firm)	13.00	-
	73.06	55.39

29. TAX EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Income tax expense recognised in the statement of profit and loss consists of the following:		
Current income tax	12,888.35	7,365.30
Deferred tax (credit)/charge	(425.54)	1,229.49
Total tax expense for the year	12,462.81	8,594.79
Income tax expense recognised in Other Comprehensive Income :		
Income tax impact on re-measurement of defined benefit plans	(0.41)	14.16
Income tax impact on Equity instruments	(11.41)	(7.04)
Income tax (credit)/charged to Other Comprehensive (Income)/loss	(11.82)	7.12

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 25.17% (March 31, 2025: 25.17%) and the reported tax expense in the statement of profit and loss is as follows:

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	48,773.31	34,537.33
Tax rate applicable to the Company	25.17%	25.17%
Estimated tax expense on profit	12,275.27	8,692.36
Increase/(decrease) in tax expenses on account of:		
Chapter VI A deduction	(37.06)	(25.92)
Expenses not deductible for tax purposes	195.18	131.51
Adjustment on amount of change in tax rate on capital items	17.58	995.34
Effect of lower tax rate on sale of investment property	-	(1,205.33)
Others	11.84	6.83
Tax expense	12,462.81	8,594.79

30. EARNINGS PER SHARE (EPS)

Earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Profit for the year	36,310.50	25,942.54
(b) Computation of weighted average number of equity shares:		
Weighted average number of equity shares outstanding during the year	1,28,29,889	1,28,29,889
(c) Face value of equity share (in absolute ₹)	10.00	10.00
(d) EPS : Basic and diluted*	283.01	202.20

* There are no items giving rise to dilutive equity share. Hence basic EPS is considered as diluted EPS

31. FAIR VALUE MEASUREMENTS

(i) Fair value hierarchy

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data either directly or indirectly.

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

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

(ii) Financial assets and financial liabilities measured at fair value

	March 31, 2026		March 31, 2025	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Investments	-	198.22	10,768.27	152.89

(iii) Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

	March 31, 2026			March 31, 2025		
	FVTPL	FVTOCI	Amortised cost/ at cost	FVTPL	FVTOCI	Amortised cost/ at cost
Financial assets						
Investments	-	198.22	15.82	10,768.27	152.89	15.82
Trade receivables	-	-	54,135.31	-	-	31,572.06
Cash and cash equivalents	-	-	7,530.81	-	-	13,037.90
Other bank balances	-	-	27,829.45	-	-	12,688.86
Other financial assets	-	-	1,611.73	-	-	1,140.61
Total financial assets	-	198.22	91,123.12	10,768.27	152.89	58,455.25

	Amortised Cost	
	March 31, 2026	March 31, 2025
Financial liabilities		
Borrowings	19,661.31	13,601.01
Lease liability	10,465.91	2,112.75
Trade payables	27,866.10	26,090.20
Other financial liabilities	12,642.35	8,321.71
Total financial liabilities	70,635.67	50,125.67

The Company’s principal financial liabilities comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations. The Company’s principal financial assets comprise of investments, trade and other receivables, cash and cash equivalents and other bank balances derived directly from its operations.

- (iv) The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value. For financial assets measured at fair values, the carrying amounts are equal to the fair values.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

32. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company is exposed to various financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The Company’s risk management policies are established to identify and analyse the risks faced by the Company and seek to, where appropriate, minimize potential impact of the risk and to control and monitor such risks. The Company’s risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

The following sections provide details regarding the Company’s exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for management of these risks.

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 risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, trade receivables and other financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2026 and March 31, 2025. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations; provisions; and non-financial assets and liabilities.

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 has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The management monitors the interest rate movement and manages the interest rate risk based on its policies, which include entering into interest rate swaps as considered necessary. The Company’s investment in deposits with banks are for short durations and therefore do not expose the Company to significant interest rate risk. Below are the details of exposure to fixed rate and variable rate instruments:

Particulars	March 31, 2026	March 31, 2025
Fixed rate instruments		
Financial assets	27,806.17	18,973.98
Financial liabilities	1,705.09	2,499.71
Variable rate instruments		
Financial liabilities	17,956.22	11,101.30

Every 0.5% increase/decrease in the interest rate component applicable to the respective borrowings would effect the Company’s net profit before tax resulting in an expense/income of ₹89.78 and ₹55.51 for the year ended March 31, 2026 and March 31, 2025 respectively.

ii. Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company’s exposure to the risk of change in foreign exchange rates relates primarily to the Company’s operating activities (when revenue or expense is denominated in foreign currency) and financing activities (when borrowings are denominated in foreign currency), The foreign currencies in which these transactions are denominated are US Dollars, Euros, Japanese Yen, Great British Pound and Swiss Franc.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

a) Significant foreign currency risk exposure relating to financial assets and financial liabilities expressed in ₹ terms are as follows:

Financial assets

Trade receivables	March 31, 2026	March 31, 2025
- USD	42,936.39	22,381.24
- EUR	63.35	135.46

Cash and cash equivalents	March 31, 2026	March 31, 2025
- USD	6,611.92	3,882.06
- EUR	0.75	-

Financial liabilities

Trade and other payables	March 31, 2026	March 31, 2025
- USD	10,992.91	10,382.34
- EUR	14.50	8.02
- GBP	27.43	61.83
- CHF	-	7.69
- JPY	70.20	75.25

Borrowings	March 31, 2026	March 31, 2025
- USD	1,096.82	1,972.00

b) Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Impact on profit before tax for the year ended	
	March 31, 2026	March 31, 2025
USD sensitivity		
₹/USD - Increase by 5%	1,872.93	695.45
₹/USD - Decrease by 5%	(1,872.93)	(695.45)
EUR sensitivity		
₹/EUR - Increase by 5%	2.48	6.37
₹/EUR - Decrease by 5%	(2.48)	(6.37)

iii. Equity price risk:

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as FVTOCI/FVTPL. An increase/(decrease) in fair value of investments by 10% shall impact the Company's equity and total comprehensive income by ₹19.82 (March 31, 2025: ₹1092.12).

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

B. Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, leading to a financial loss. The Company is mainly exposed to the risk of its balances with the bankers and trade and other receivables. None of the Company's cash equivalents, other bank balances, loans and security deposits were past due or impaired as at March 31, 2026 and March 31, 2025.

Ageing of trade receivables is as follows:

	March 31, 2026	March 31, 2025
Neither past due nor impaired	47,614.19	25,600.36
Past due not impaired:		
0-180 days	6,521.12	5,906.15
Greater than 180 days	-	65.55
	54,135.31	31,572.06

C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

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:

March 31, 2026	Carrying Amount	Undiscounted cash flows			
		Up to 1 year	From 1 to 3 years	More than 3 years	Total
Borrowings	19,661.31	3,566.59	8,220.47	7,874.25	19,661.31
Lease liabilities	10,465.91	1,428.75	3,493.97	10,566.89	15,489.61
Trade payables	27,866.10	27,866.10	-	-	27,866.10
Other financial liabilities	12,642.35	12,642.35	-	-	12,642.35
Total	70,635.67	45,503.79	11,714.45	18,441.14	75,659.37

March 31, 2025	Carrying Amount	Undiscounted cash flows			
		Up to 1 year	From 1 to 3 years	More than 3 years	Total
Borrowings	13,601.01	4,528.27	5,512.13	3,560.61	13,601.01
Lease liabilities	2,112.75	434.36	720.21	1,870.75	3,025.32
Trade payables	26,090.20	26,090.20	-	-	26,090.20
Other financial liabilities	8,321.71	8,321.71	-	-	8,321.71
Total	50,125.67	39,374.54	6,232.34	5,431.36	51,038.24

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

33. CAPITAL RISK 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 and 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 or sell assets to reduce debt. Total capital is the equity as shown in the statement of financial position. Currently, the Company primarily monitors its capital structure on the basis of the following gearing ratio. Management is continuously evolving strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Company.

The capital for the reporting year under review is summarized as follows:

	As at March 31, 2026	As at March 31, 2025
Total borrowings	19,661.31	13,601.01
Less: Cash and cash equivalents (including bank deposits with original maturity between 3 to 12 months)	(35,336.98)	(25,706.88)
Net debt	(15,675.67)	(12,105.87)
Total equity	186,585.13	151,779.06
Net debt to equity ratio	(8.40%)	(7.98%)

34. NET DEBT RECONCILIATION

Particulars	Long-term borrowings	Lease Liabilities	Total
As at March 31, 2024	8,250.70	1,288.26	9,538.96
Cash flows (net)	5,534.29	(541.73)	4,992.56
New Lease	-	1,228.54	1,228.54
Non-cash flows (net)	-	137.68	137.68
Forex adjustment	(183.98)	-	(183.98)
As at March 31, 2025	13,601.01	2,112.75	15,713.76
Cash flows (net)	6,089.15	(747.76)	5,341.39
New Lease	-	8,405.73	8,405.73
Non-cash flows (net)	-	695.19	695.19
Forex adjustment	(28.85)	-	(28.85)
As at March 31, 2026	19,661.31	10,465.91	30,127.22

35. RESEARCH AND DEVELOPMENT EXPENSES

Details of research and development expenses (excluding depreciation and amortisation expense) incurred during the year and included under various heads of expenditures are given below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue Expenditure		
Salaries and wages	3,428.43	2,668.71
Consumption of raw materials and consumables	1,474.27	991.31
Power and fuel	302.89	306.62
	5,205.59	3,966.64
Capital Expenditure	2,714.99	2,157.13

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

36(a) INVESTMENT PROPERTY

Investment property comprises of carrying value of land and building, representing the cost incurred towards development and construction activity at the said land situated at Nanakramguda, Hyderabad, duly allotted by Telangana State Industrial Infrastructure Corporation Limited ("TSIIC") (erstwhile Andhra Pradesh Industrial Infrastructure Corporation Limited).

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gross block		
Opening balance	-	1,992.07
Addition	-	-
Disposal	-	(1,992.07)
Closing balance	-	-
Accumulated depreciation		
Opening balance	-	89.31
Addition	-	-
Disposal	-	(89.31)
Closing balance	-	-
Net Block	-	-
Fair Value	-	-

36(b) During the previous year, the Company has fully transferred an investment property located in Nanakramguda, Hyderabad, Telangana, through perpetual lease, resulting in total profit of ₹ 7,640.36 lakhs being the profit is exceptional in nature, it has been disclosed as a separate line item.

37. GOODWILL

Pursuant to the Scheme of Amalgamation and Arrangement ("the Scheme") duly approved by the National Company Law Tribunal, Hyderabad Bench vide their order dated March 21, 2018, Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL") (together referred to as "Transferor Companies"), were merged with the Company with appointed date of April 01, 2016. NHSPL is engaged in the business of conducting research and development of Peptides and NPRPL is in the business of contract research services.

The purchase consideration of ₹31,084.99 paid by way of issue of 22,70,635 equity shares of ₹10 each [in accordance with the Scheme, 45,90,608 equity shares of ₹10 each held by NHSPL in the Company stands cancelled and the Company has issued 68,61,095 and 148 fully paid-up equity shares of ₹10 each to the shareholders of NHSPL and NPRPL respectively] at a premium of ₹1,359 per equity share.

Excess of consideration paid over net assets taken over aggregating to ₹27,946.10 is recognized as Goodwill.

Reconciliation of the carrying amount of goodwill:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	27,946.10	27,946.10
Add: Due to acquisition during the year	-	-
Less: Impairment/write off	-	-
Closing Balance	27,946.10	27,946.10

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

The recoverable amount of the above cash generating unit ("CGU") has been assessed using a value-in-use model. The recoverable value is computed based on the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The following table sets out the key assumptions for CGU:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	12.51%	13.57%
Growth rate*	5.00%	5.00%
Tax rate	25.17%	25.17%

* The growth rate assumptions applies only to the period beyond the formal budgeted period with the value in use calculation based on an extrapolation of the budgeted cash flows for year five.

38. RELATED PARTY DISCLOSURES

(a) Names of the related parties and nature of relationship

Particulars
Subsidiaries
Neuland Laboratories Inc., USA
Neuland Laboratories K.K., Japan
Enterprise over which key management personnel exercise significant influence
Neuland Foundation
Entity that is a post-employment benefit plan for the benefit of employees.
Neuland Laboratories Limited employees group gratuity scheme
Key Management Personnel
Dr. D. R. Rao - Whole Time Director (WTD) designated as Executive Chairman
Mr. D. Sucheth Rao - WTD designated as Vice Chairman and CEO (designated as Executive Vice Chairman w.e.f April 1, 2026)
Mr. D. Saharsh Rao - WTD designated as Vice Chairman & Managing Director (designated as CEO & Managing Director w.e.f April 1, 2026)
Dr. Christopher M. Cimarusti - Non-Executive Non-Independent Director (Ceased w.e.f Feb 28, 2026)
Mrs. Bharati Rao - Non-Executive Independent Director (Ceased w.e.f May 8, 2024)
Dr. Nirmala Murthy - Non-Executive Independent Director (Ceased w.e.f May 7, 2025)
Mr. Homi Rustam Khusrokhan - Non-Executive Independent Director
Mr. Prasad Raghava Menon - Non-Executive Independent Director
Mr. Sugata Sircar -Non-Executive Independent Director
Mrs. Pallavi Joshi Bakhru - Non-Executive Independent Director
Dr. Ravi Shankar Gopinath - Non-Executive Independent Director (Appointed w.e.f Aug 1, 2025)
Mrs. Sarada Bhamidipati - Company Secretary
Mr. Abhijit Majumdar - Chief Financial Officer
Relatives of Whole Time Directors
Mrs. D. Vijaya Rao
Mrs. D. Rohini Niveditha Rao
Mrs. Deepthi Davuluri

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

(b) Transactions with related parties

	For the year ended March 31, 2026	For the year ended March 31, 2025
Subsidiaries		
Sales promotion expenses		
Neuland Laboratories Inc., USA	1,852.74	1,635.06
Neuland Laboratories K.K., Japan	307.10	294.38
Enterprise over which key management personel exercise significant influence		
Neuland Foundation- Contribution towards CSR obligation	529.60	-
Transactions with KMP		
Managerial remuneration		
Dr. D. R. Rao	1,467.00	1,005.00
Mr. D. Sucheth Rao	1,380.00	1,005.00
Mr. D. Saharsh Rao	1,380.00	1,005.00
Mrs. Sarada Bhamidipati	52.00	46.01
Mr. Abhijit Majumdar	211.30	193.85
Rent		
Mr. D. Sucheth Rao	129.09	145.10
Mr. D. Saharsh Rao	129.09	145.10
Director's sitting fee		
Dr. Christopher M. Cimarusti	3.50	3.00
Mrs. Bharati Rao	-	0.20
Dr. Nirmala Murthy	0.50	5.60
Mr. Homi Rustam Khusrokhan	7.90	6.20
Mr. Prasad Raghava Menon	7.30	4.60
Mr. Sugata Sircar	6.70	5.20
Mrs. Pallavi Joshi Bakhru	8.10	6.20
Dr. Ravi Shanker Gopinath	2.70	-
Commission		
Dr. Christopher M. Cimarusti	35.00	25.00
Dr. Nirmala Murthy	-	25.00
Mr. Homi Rustam Khusrokhan	35.00	25.00
Mr. Prasad Raghava Menon	35.00	25.00
Mr. Sugata Sircar	35.00	25.00
Mrs. Pallavi Joshi Bakhru	35.00	25.00
Dr. Ravi Shanker Gopinath	35.00	-
Professional fee		
Dr. Christopher M. Cimarusti	8.59	20.29
Transactions with relatives of KMP		
Rent		
Mrs. D. Vijaya Rao	96.26	91.68
Entity that is a post-employment benefit plan for the benefit of employees.		
Neuland Laboratories Limited employees group gratuity scheme	360.00	360.00

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

(c) Balances receivable/(payables)

		As at March 31, 2026	As at March 31, 2025
Subsidiaries			
Neuland Laboratories Inc., USA	Creditor for expenses	(882.22)	(794.99)
Neuland Laboratories K.K., Japan	Creditor for expenses	(70.20)	(75.25)
Key Management Personnel			
Mr. D. Sucheth Rao	Security deposit	121.40	121.40
Mr. D. Saharsh Rao	Security deposit	121.40	121.40
Dr. D. R. Rao	Managerial remuneration payable	(867.00)	(555.00)
Mr. D. Sucheth Rao	Managerial remuneration payable	(780.00)	(555.00)
Mr. D. Saharsh Rao	Managerial remuneration payable	(780.00)	(555.00)
Mrs. Sarada Bhamidipati	Managerial remuneration payable	(4.42)	(3.45)
Mr. Abhijit Majumdar	Managerial remuneration payable	(31.69)	(29.08)
Dr. Christopher M. Cimarusti	Sitting Fee/Commission/ Professional Fee	(35.00)	(25.00)
Dr. Nirmala Murthy	Sitting Fee/Commission	-	(25.00)
Mr. Homi Rustam Khusrokhan	Sitting Fee/Commission	(35.00)	(25.00)
Mr. Prasad Raghava Menon	Sitting Fee/Commission	(35.00)	(25.00)
Mr. Sugata Sircar	Sitting Fee/Commission	(35.00)	(25.00)
Mrs. Pallavi Joshi Bakhru	Sitting Fee/Commission	(35.00)	(25.00)
Dr. Ravi Shanker Gopinath	Sitting Fee/Commission	(35.00)	-
Relative of Key Management Personnel			
Mrs. D Vijaya Rao	Security deposit	19.20	19.20

(d) Remuneration to KMP excludes contribution for gratuity and compensated absences as the increment liability has been accounted for the Company as a whole.

(e) Transaction with related parties

In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the subsidiaries, are carried at an arm’s length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arms length prices.

39. COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to ₹15,418.48 (March 31, 2025: ₹8,325.51).

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

40. CONTINGENT LIABILITIES AND PENDING LITIGATIONS

	As at March 31, 2026	As at March 31, 2025
Disputed income tax liabilities	748.10	767.11
Goods and Service Taxes	112.33	125.82
Other Disputes/Matters		
CIGSR Order for land parcel at Bonthapally in survey no 490/2- refer note (a) below	0.64	0.64
CIGSR Order for land parcel at Bonthapally in survey no 490/1- refer note (b) below	3.30	3.30
Surcharge levied on charges for surplus energy allocated from APGPCL refer note (c) below	453.29	-
Certain disputes, for unascertained amounts are pending in the Labour Courts, Telangana. Since, the chance of appellants succeeding in their claims is less than probable, the Company does not expects any liability in this respect.	Not ascertainable	Not ascertainable

Notes:

Other Disputes/Matters:

- (a) Our Company purchased land in Survey No. 490/2 situated at Bonthapally Village, Jinnaram Mandal, Medak District. The Revenue department issued notices to our Company for resumption of the said land on the ground that the same was "assigned land". Our Company has filed an application before the Collector, Medak District for regularization of the said land as per the applicable laws. Our Company also filed a writ petition before the High Court praying for an order not to take any coercive steps. The High Court vide its order dated March 18, 2011 directed the revenue department to not take any coercive steps till the disposal of the representation filed by our Company. The matter is pending before the Collector, Medak District. The management believes that the outcome will be in favour of the Company and hence no adjustment is made in the financial statements.
- (b) During the financial year ended March 31, 2008, the Commissioner and Inspector General of Stamps and Registration (CIGSR), Andhra Pradesh has vide it's order dated February 22, 2008 has cancelled the registration of the land parcel owned by the Company situated at Bonthapally pursuant to complaint made by one of the seller. Aggrieved by the aforesaid order the Company has filed a writ petition challenging order of CIGSR with Hon'ble High Court of Telangana (the 'Court') as the Company was not involved during the proceedings. The Court has vide its order dated December 31, 2010 has directed to maintain the status quo with regards to the possession of the property till further orders passed. Proceedings of the case are still pending with the court. The management is confident that orders will be in the favour of the Company, hence no adjustment is deemed necessary to these standalone financial statements.
- (c) The Company received demand notices from the electricity authority (TSSPDCL) for amounts related to surplus power adjustments between 2005 and 2007. Following a High Court ruling that allowed revised billing, the authority demanded both principal amount and surcharge (interest).

The Company has already paid the principal amount under protest. Based on legal advice, management believes no additional liability (particularly for surcharge) will arise.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

41. LEASES

The Company has entered into leases of office premises and residential bungalow, with no restrictions and are renewable at the option of either of the parties, for a period of 3 years to 10 years. There are no sub leases. The Company applies the short term lease and lease of low value assets recognition exemption for few leases.

Particulars	As at/ For the year ended March 31, 2026	As at/ For the year ended March 31, 2025
(i) The movement in right-of-use assets is as follows :		
Opening balance	1,998.28	1,221.75
Addition/Adjustment during the year	8,891.37	1,268.09
Depreciation charge for the year (Refer Note 26)	(1,002.40)	(491.56)
Closing balance	9,887.25	1,998.28
(ii) The break-up of current and non-current lease liabilities is as follows		
Non-current lease liabilities	9,969.48	1,861.76
Current lease liabilities	496.43	250.99
(iii) The movement in lease liabilities is as follows :		
Opening balance	2,112.75	1,288.26
Recognised/Adjustment made during the year	8,405.73	1,228.54
Unwinding of discount on lease liabilities	695.19	137.68
Payment of lease liabilities	(52.57)	(404.05)
Interest on lease liabilities (Refer Note 25)	(695.19)	(137.68)
Closing balance	10,465.91	2,112.75
(iv) The contractual maturities of lease liabilities on an undiscounted basis are as follows:		
Less than one year	1,428.75	434.36
One to five years	8,554.54	1,402.18
More than five years	5,506.32	1,188.78

Notes:

1. The aggregate depreciation expense on right-of-use assets of ₹ 1,002.40 (March 31, 2025: ₹ 491.56) is included under depreciation and amortization expense in the Statement of Profit and Loss.
2. Rental expense recorded for short-term and low value leases was ₹ 98.56 (March 31, 2025: ₹ 77.84) for the year ended March 31, 2026 (Refer Note 28).
3. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

43. DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The amount due to Micro Enterprises and Small Enterprises as defined in the ‘The Micro, Small and Medium Enterprises Development Act, 2006’ has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro Enterprises and Small Enterprises are as under:

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount remaining unpaid as at the end of the year*	2,193.25	946.00
The amount of interest accrued and remaining unpaid at the end of the year	5.87	13.74
The amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act 2006).	-	-
Payments made beyond the appointed date during the year.	-	-
The amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act 2006).	-	-
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act 2006).	-	-

* includes capital creditors of ₹ 928.96 (March 31, 2025: ₹ 102.96)

44. SEGMENT REPORTING

In accordance with Ind AS 108 - 'Operating segments', segment information has been given in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

45. On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

46. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

47. OTHER STATUTORY INFORMATION:

- i The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- ii The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- iii The Company does not have any transactions with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

- iv

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- v

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- vi

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- vii

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).
- viii

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ix

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and 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).
- x

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- xi

The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the current year and previous year.

48. The standalone financial statements are approved for issue by the Company’s Board of Directors on May 12, 2026.

As per our report of even date
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No: 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No: 404621

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Dr. D. R. Rao
Executive Chairman
DIN- 00107737

D. Sucheth Rao
Executive Vice Chairman
DIN- 00108880

D. Saharsh Rao
CEO & Managing Director
DIN- 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: May 12, 2026

Place: Hyderabad
Date: May 12, 2026

Notes forming part of the Standalone Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

42. RATIOS

S No.	Ratio	Formula	Particulars		Ratio as on March 31, 2026	Ratio as on March 31, 2025	Variation	Reason (if variation is more than 25%)
			Numerator	Denominator				
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Contract Assets + Assets held for Sale	Current Liability= Short term borrowings + Trade Payables + Other financial Liabilities+ Current tax (Liabilities) + Contract Liabilities+ Provisions + Other Current Liability	2.06	2.41	-14.41%	Not a major variance
(b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing and current maturities of long-term borrowings	Shareholder's Equity = Equity Sharecapital + Other equity	0.11	0.09	17.59%	Not a major variance
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit before taxes + Depreciation + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	8.72	6.61	31.83%	Improved operational performance and profitability have positively impacted the company's DSCR.
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes	Shareholder's Equity = Equity Sharecapital + Other equity	19.46%	17.09%	2.37%	Not a major variance
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	3.05	2.93	4.29%	Not a major variance
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	4.65	4.20	10.70%	Not a major variance
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	3.28	2.69	22.13%	Not a major variance
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets – Current liabilities	2.84	2.57	10.45%	Not a major variance
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	17.95%	17.57%	0.38%	Not a major variance
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Average Capital Employed	26.14%	17.87%	8.27%	Not a major variance
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	19.46%	17.09%	2.37%	Not a major variance

INDEPENDENT AUDITOR’S REPORT

To the Members of Neuland Laboratories Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of **Neuland Laboratories Limited** (“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 March 31, 2026, 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 for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the “consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2026, of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Institute of Chartered Accountant 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 we have obtained and the audit evidence obtained by other auditors

in terms of their reports referred to in the “Other Matter” section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter. We have determined the matter described below to be the key audit matter to be communicated in our report:

IMPAIRMENT OF GOODWILL (REFER NOTE 37 OF CONSOLIDATED FINANCIAL STATEMENTS):

The goodwill balance as of March 31, 2026, of ₹ 27,946.10 lakhs is pertaining to merger of Neuland Health Sciences Private Limited (“NHSPL”) and Neuland Pharma Research Private Limited (“NPRPL”) with the Company with appointed date of April 01, 2016.

As at March 31, 2026, Goodwill represents 9.54% of the Group's total assets and 14.91% of the Group's total shareholder's equity. The Holding Company has tested goodwill for impairment on an annual basis as required by "IND AS 36 - Impairment of Asset". In determining the fair value / value in use of business reporting units, the Holding Company has applied judgment in estimating future revenues, operating profit margins, long-term growth rate and discount rates.

Due to significance of the above matter and involvement of the significant management judgement in estimation of fair value / value in use, the assessment of recoverability of carrying value of goodwill is considered as key audit matter.

HOW THE KEY AUDIT MATTER WAS ADDRESSED IN OUR AUDIT:

Our audit procedures in respect of this area included, but are not limited to, following:

- 1. Obtained an understanding from the management of the Group with respect to process followed and assessed the design, implementation and tested the operating effectiveness of internal controls over impairment testing related to goodwill;
- 2. Assessed the Group’s internal control over preparation of annual budgets and future forecasts for the business

as a whole and the approach followed for annual impairment test and key assumptions applied;

- 3. Evaluated the reasonableness of the assumptions used and appropriateness of the valuation methodology applied and tested the discount rate and terminal growth rates used in the forecast including comparison to economic data, industry report, data from competitors and historic performances wherever appropriate to compare and corroborate;
- 4. Assessed reasonableness and appropriateness of the future revenue and margin projections, the historical accuracy of the Group's estimates and its ability to produce accurate long-term forecasts;
- 5. Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board; and tested the mathematical accuracy of management's calculations;
- 6. Assessed the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's statement and Director's report but does not include the consolidated financial statements and our auditor's report thereon, and the Management Discussion and analysis, Business Responsibility and Sustainability Report etc. which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Management Discussion and analysis, Business Responsibility and Sustainability Report etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS 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 financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective 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 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 Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group 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 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.

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTER

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 1,147.50 lakhs as at March 31, 2026, total revenues of ₹ 2,160.07 lakhs, net profit (including other comprehensive income) of ₹ 160.59 lakhs and net cash outflows amounting to ₹ 18.91 lakhs 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 are located outside India whose financial statements have been prepared in accordance with the 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 located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments made by the Management of the Holding Company have not been audited. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiaries referred to in the Other Matter section above 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.
 - 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 Flow 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 Accounting Standards 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 March 31, 2026, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with 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 referred to in the Other Matters section above:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2026.
 - iv. 1. Management of the Holding Company have represented to us and to the best of their knowledge and belief, as disclosed in the note 46 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.

- 2. Management of the Holding Company have represented to us and to the best of their knowledge and belief, as disclosed in the note 46 to 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 Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors’ notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. Based on our examination, the final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with section 123 of the Act, to the extent it applies to payment of dividend.

Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, to the extent it applies to declaration of dividend. (Refer Statement of Changes in Equity in the consolidated financial statements).

- vi. 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. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded.

2. In our opinion, according to information, explanations given to us, the remuneration paid or provided by the Holding company to its directors is within the limits laid prescribed under Section 197 to the Act.
3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (“CARO”) issued by the Central Government in

terms of sub-section (11) of section 143 of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, based on the CARO reports issued by us, we report that there are no qualifications or adverse remarks.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621HHHEAF4995

Place: Hyderabad, India
Date: May 12, 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NEULAND LABORATORIES LIMITED

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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 or business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621HHHEAF4995

Place: Hyderabad, India
Date: May 12, 2026

ANNEXURE B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NEULAND LABORATORIES LIMITED

[Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report of even date to the Members of Neuland Laboratories Limited, on the Consolidated Financial Statements for the year ended March 31, 2026]

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

OPINION

In conjunction with our audit of the consolidated financial statements of the **Neuland Laboratories Limited** (“the Holding Company”) as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, 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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”).

MANAGEMENT AND BOARD OF DIRECTOR’S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Management and the Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely

preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company’s internal financial control with reference to financial statements is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621HHHEAF4995

Place: Hyderabad, India
Date: May 12, 2026

Consolidated Balance Sheet

As at March 31, 2026

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	Note	As at March 31, 2026	As at March 31, 2025
I. ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	79,341.51	65,373.07
Right-of-use assets	43	9,887.25	1,998.28
Capital work-in-progress	3(b)	20,949.90	4,455.29
Investment property	36(a)	-	-
Goodwill	37	27,946.10	27,946.10
Other intangible assets	4 (a)	518.12	174.32
Intangible assets under development	4 (b)	108.46	311.08
Financial assets			
(i) Investments	5	198.22	152.89
(ii) Other financial assets	6	1,194.81	935.16
Income tax assets (net)		396.27	1,132.33
Other non-current assets	7	4,160.25	1,559.95
Total non-current assets		1,44,700.89	1,04,038.47
Current assets			
Inventories	8	51,028.64	38,575.69
Financial assets			
(i) Investments	5	-	10,768.27
(ii) Trade receivables	9	54,135.31	31,572.06
(iii) Cash and cash equivalents	10	7,667.04	13,193.04
(iv) Bank balances other than cash and cash equivalents	11	27,829.45	12,688.86
(v) Other financial assets	6	433.81	221.56
Other current assets	7	7,218.63	6,930.21
Total current assets		1,48,312.88	1,13,949.69
Total assets		2,93,013.77	2,17,988.16
II. EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	1,290.05	1,290.05
Other equity	13	1,86,157.24	1,51,190.58
Total equity		1,87,447.29	1,52,480.63
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	16,094.73	9,072.74
(ia) Lease liabilities	43	9,969.48	1,861.76
Provisions	15	1,586.11	722.23
Deferred tax liabilities (net)	16	6,896.36	7,282.21
Total non-current liabilities		34,546.68	18,938.94
Current liabilities			
Financial liabilities			
(i) Borrowings	14	3,566.58	4,528.27
(ia) Lease liabilities	43	496.43	250.99
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	17	1,264.29	843.04
- total outstanding dues of creditors other than micro enterprises and small enterprises		25,650.12	24,377.32
(iii) Other financial liabilities	18	12,678.26	8,454.70
Provisions	15	230.78	209.72
Other current liabilities	19	25,317.78	7,895.70
Current tax liabilities (net)		1,815.56	8.85
Total current liabilities		71,019.80	46,568.59
Total liabilities		1,05,566.48	65,507.53
Total equity and liabilities		2,93,013.77	2,17,988.16

See accompanying notes forming part of the consolidated financial statements. 1-47

As per our report of even date
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No: 105047W/ W101187

Prakash Chandra Bhutada
Partner
Membership No: 404621

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Dr. D. R. Rao
Executive Chairman
DIN- 00107737

D. Sucheth Rao
Executive Vice Chairman
DIN- 00108880

D. Saharsh Rao
CEO & Managing Director
DIN- 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: May 12, 2026

Place: Hyderabad
Date: May 12, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I. Income			
Revenue from operations	20	2,02,298.54	1,47,683.73
Other income	21	3,016.62	2,050.93
Total income (I)		2,05,315.16	1,49,734.66
II. Expenses			
Cost of materials consumed	22	81,976.45	57,480.68
Changes in inventories of finished goods and work-in-progress	23	(6,426.23)	1,283.12
Employee benefits expense	24	34,114.14	27,200.48
Finance costs	25	2,394.74	829.71
Depreciation and amortisation expenses	26	9,173.95	6,554.66
Manufacturing expenses	27	19,161.44	16,287.00
Other expenses	28	16,022.96	13,106.47
Total expenses (II)		1,56,417.45	1,22,742.12
III. Profit before exceptional item and tax (I-II)		48,897.71	26,992.54
IV. Exceptional item	36(b)	-	7,640.36
V. Profit before tax (III+IV)		48,897.71	34,632.90
VI. Tax expense			
Current tax	29	12,895.54	7,376.68
Deferred tax (credit)/charge		(397.67)	1,245.41
Total tax expense (VI)		12,497.87	8,622.09
VII. Profit for the year (V-VI)		36,399.84	26,010.81
VIII. Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans	15	1.65	(56.30)
Changes in fair value of equity instruments through other comprehensive income	5	45.33	27.99
Tax on items that will not be reclassified to profit or loss	16	(11.82)	7.12
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		71.25	16.71
Other comprehensive income/ (loss) for the year, net of tax (VIII)		106.41	(4.48)
IX. Total comprehensive income for the year (VII+VIII)		36,506.25	26,006.33
X. Earnings per share [EPS] (in absolute ₹ terms) (face value of ₹ 10 each)	30		
Basic and Diluted EPS (in ₹)		283.71	202.74

See accompanying notes forming part of the consolidated financial statements. 1-47

As per our report of even date
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No: 105047W/ W101187

Prakash Chandra Bhutada
Partner
Membership No: 404621

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Dr. D. R. Rao
Executive Chairman
DIN- 00107737

D. Sucheth Rao
Executive Vice Chairman
DIN- 00108880

D. Saharsh Rao
CEO & Managing Director
DIN- 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: May 12, 2026

Place: Hyderabad
Date: May 12, 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

A EQUITY SHARE CAPITAL

	Number of shares	Amount *
Balance as at April 1, 2024	1,28,29,889	1,290.05
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	1,28,29,889	1,290.05
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	1,28,29,889	1,290.05

* includes ₹7.06 received towards forfeiture of equity shares during the earlier years.

B OTHER EQUITY

	Reserves and Surplus					Other Comprehensive Income			Total
	Capital reserve	Securities premium	General reserve	Revaluation reserve	Retained earnings	Equity securities	Foreign currency translation reserve	Re-measurement of defined benefit plans	
Balance as at April 01, 2024	3.32	49,777.35	2,789.65	83.89	75,248.37	(610.06)	98.92	(411.01)	1,26,980.43
Profit for the year	-	-	-	-	26,010.81	-	-	-	26,010.81
Dividends	-	-	-	-	(1,796.18)	-	-	-	(1,796.18)
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	20.94	16.71	(42.13)	(4.48)
Balance as at March 31, 2025	3.32	49,777.35	2,789.65	83.89	99,463.00	(589.12)	115.63	(453.14)	1,51,190.58
Profit for the year	-	-	-	-	36,399.84	-	-	-	36,399.84
Dividends (Refer Note below)	-	-	-	-	(1,539.59)	-	-	-	(1,539.59)
Other comprehensive income (net of tax)	-	-	-	-	-	33.92	71.25	1.24	106.41
Balance as at March 31, 2026	3.32	49,777.35	2,789.65	83.89	1,34,323.25	(555.20)	186.88	(451.90)	1,86,157.24

Dividend paid and proposed

In respect of the year ended March 31, 2026, the directors in their meeting held on May 12, 2026, have proposed a dividend of ₹ 34 per equity share of face value of ₹ 10 each. The proposed equity dividend is subject to approval by the shareholders at the Annual General meeting (AGM) and has not been included as a liability in these financial statements. The total estimated amount to be paid with respect to dividend is ₹ 4,362.16.

In respect of the year ended March 31, 2025, the directors proposed a final dividend of ₹12 per equity share of face value of ₹10 each which was approved by the shareholders in the Annual General meeting (AGM) held on July 30, 2025. The total amount of such dividend paid was ₹ 1,539.59.

See accompanying notes forming part of the consolidated financial statements. 1-47

As per our report of even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No: 105047W/ W101187

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Prakash Chandra Bhutada
Partner
Membership No: 404621

Dr. D. R. Rao
Executive Chairman
DIN- 00107737

D. Sucheth Rao
Executive Vice Chairman
DIN- 00108880

D. Saharsh Rao
CEO & Managing Director
DIN- 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: May 12, 2026

Place: Hyderabad
Date: May 12, 2026

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from operating activities		
Profit before tax	48,897.71	34,632.90
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation expenses	9,173.95	6,554.66
Interest income	(1,005.54)	(1,058.40)
Loss on sale of property, plant and equipment, net	527.38	731.06
Gain on sale of investment properties (Exceptional item)	-	(7,640.36)
Finance costs	2,394.74	829.71
Provision towards/(written back) credit impaired trade receivables	(204.67)	170.06
Gain on redemption of investments carried at FVTPL	(755.47)	-
Gain on fair valuation of investments carried at FVTPL	-	(768.27)
Unrealised foreign exchange loss/ (gain), net	134.95	(16.81)
Operating cash flows before working capital changes	59,163.05	33,434.55
Movements in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(12,452.95)	(3,533.50)
Trade receivables	(22,421.18)	5,490.67
Other financial assets	(789.14)	62.52
Other assets	(282.96)	838.04
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	1,614.91	5,875.67
Other financial liabilities	1,910.69	(2,285.13)
Provision for employee benefits	886.58	(48.92)
Other liabilities	17,391.81	(620.86)
Cash generated from operating activities	45,020.81	39,213.04
Income-taxes paid (net)	(10,352.77)	(7,472.62)
Net cash flow from operating activities (A)	34,668.04	31,740.42
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets	(39,713.21)	(20,646.40)
Proceeds from sale of investments property	-	9,543.13
Proceeds from sale of property, plant and equipment	92.63	116.42
Proceeds from sale/ redemption of current investements	26,523.74	-
Purchase of current investments	(15,000.00)	(10,000.00)
Proceeds from redemption/sale of non -current investments (net)	-	2.97
Movement in other bank balances (net)	(15,137.19)	(9,760.76)
Interest income received	860.74	929.05
Net cash used in investing activities (B)	(42,373.29)	(29,815.59)
Cash flows from financing activities		
Proceeds from non-current borrowings	10,560.93	9,477.82
Repayment of non-current borrowings	(4,471.78)	(3,943.53)
Finance cost paid	(1,704.26)	(700.28)
Dividend paid	(1,539.59)	(1,796.18)
Payment of lease liabilities	(52.57)	(404.05)
Interest on lease liabilities	(695.19)	(137.68)
Net cash flow from financing activities (C)	2,097.54	2,496.10
Net (decrease)/ increase in cash and cash equivalents during the year (A + B + C)	(5,607.71)	4,420.93
Cash and cash equivalents at the beginning of the year	13,193.04	8,757.54
Effect of exchange rate changes on cash and cash equivalents	81.71	14.57
Cash and cash equivalents at the end of the year (Refer Note 10)	7,667.04	13,193.04

See accompanying notes forming part of the consolidated financial statements. 1-47

As per our report of even date

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No: 105047W/ W101187

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Prakash Chandra Bhutada
Partner
Membership No: 404621

Dr. D. R. Rao
Executive Chairman
DIN- 00107737

D. Sucheth Rao
Executive Vice Chairman
DIN- 00108880

D. Saharsh Rao
CEO & Managing Director
DIN- 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: May 12, 2026

Place: Hyderabad
Date: May 12, 2026

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

1. CORPORATE INFORMATION

Neuland Laboratories Limited (“the Company” or “the Holding Company”) is a public limited Company incorporated and domiciled in India. The Company’s registered office is at 11th floor (5th level, Phoenix IVY III Building Plot No. 573A, Road Number 82, Jubilee Hills, Hyderabad 500033. The shares of the Company are listed on two recognised stock exchanges of India viz. the National Stock Exchange of India Limited and BSE Limited. The Company is engaged in manufacturing and selling of bulk drugs and caters to both domestic and international markets.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of Compliance

The consolidated financial statements of the Company along with its subsidiaries (together referred to as “Group”) have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as notified under Section 133 of the Companies Act 2013 (“the Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, as amended, issued by the Ministry of Corporate Affairs (‘MCA’) and presentation requirements of Division II of Schedule III to the Act, as applicable to the consolidated financial statements.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group’s annual reporting date March 31, 2026.

These consolidated financial statements have been prepared on the historical cost convention and on an accrual basis except for the following material items in the balance sheet:

- Certain financial assets and liabilities which are measured at fair value;
- Net defined benefit assets / (liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

Principles of consolidation

Subsidiary

Subsidiary is entity (including structured entity) 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. They are deconsolidated from the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements.

Interest in the subsidiary

The following subsidiaries have been considered for the purpose of preparation of the consolidated financial statements:

Name of the subsidiary	Country of Incorporation	Percentage holding/ interest (%) As at March 31	
		2026	2025
Neuland Laboratories Inc.	United States of America	100	100
Neuland Laboratories K.K	Japan	100	100

Principal activity of the subsidiary is providing marketing support services to Neuland Laboratories Limited (Parent Company).

(i) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note (c), (e), (f) and (g) - Useful lives of property, plant and equipment, investment properties, goodwill and other intangible assets;
- Note (h) - Impairment;
- Note (i) - Financial instruments;
- Note (n) - Employee benefits;
- Note (r) - Provisions, contingent liabilities and contingent assets; and
- Note (p) - Income taxes

(ii) Summary of material accounting policies

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

a. Functional currency

The consolidated financial statements are presented in Indian Rupee (‘INR’ or ‘₹’) which is also the functional and presentation currency of the Holding Company.

b. Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in the Division II – Ind AS Schedule III to the Act.

Based on nature of product and activities of the Group and their realisation in cash and cash equivalent, the Group has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

c. Property, plant and equipment (PPE)

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes (other than those subsequently recoverable from tax authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in asset’s carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of item can be measured reliably. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

An item of PPE and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances. Capital work- in-progress includes cost of PPE under installation / under development as at the balance sheet date.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Depreciation on property, plant and equipment is calculated on pro-rata basis on straight-line method using the useful lives of the assets estimated by management as prescribed in Schedule II to the Act. The useful life is as follows:

Asset	Useful Life (in years)
Buildings	25 & 30
Plant and equipment	7 to 20
Office equipment	2 to 5
Furniture and fixtures	2 to 10
Vehicles	4 & 8
Computers	3 & 6

Land is not depreciated

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / upto the date on which asset is ready for use / disposed-off.

The useful lives are based on historical experience with similar assets as well as anticipation of future events. The residual values are not more than 5% of the original cost of the assets. The residual values, useful lives and method of depreciation of are reviewed at each financial year-end and adjusted prospectively, if appropriate.

d. Leases :

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.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability

adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. 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. 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 as a whole. The lease payments shall include fixed payments, variable lease payments, 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

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

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 and loss.

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 recognised as an expense on a straight-line basis over the lease term.

e. Investment properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. When the use of a property changes from owner occupied to investment property, the property is reclassified as investment property at it's carrying amount on the date of reclassification.

The useful life of investment property is estimated at 60yrs based on technical evaluation performed by management's expert.

f. Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive

income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that

unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

g. Other intangible assets

Other intangible assets are stated at cost of acquisition less accumulated amortization and impairment loss, if any. These are derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The other intangible assets comprise of computer software expenditure and are amortized over a period of three years. The amortization period and the amortization method for an intangible asset is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

h. Impairment

Impairment of non-financial assets

The carrying amounts of the Group’s PPE and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the statement of profit or loss if the estimated recoverable amount of an asset or its cash generating unit is

lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (“ECL”) model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

i. Financial instruments

Initial Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

- amortised cost;
- fair value through other comprehensive income (“FVTOCI”) – debt investment;
- FVTOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

FVTOCI – debt investment

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the 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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

Equity investment

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 (designated as FVTOCI – equity investment). This election is made on an investment by- investment basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit or loss.

FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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, or it is a derivative or it is designated as such on initial recognition. Financial liabilities

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of 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 statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

De-recognition

Financial assets

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

Financial liabilities

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

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates. Derivatives are initially measured at fair value and subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss, since the Group's

hedging instruments did not qualify for hedge accounting in accordance with the Ind-AS 39. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term

deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash at banks, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Other income - Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally, when shareholders approve the dividend.

j. Inventories

Basis of valuation:

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods are measured at the lower of cost and net realisable value. The Cost of raw materials, stores and consumables has been determined by using weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

The Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on weighted average basis.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of engineering spares (such as machinery spare parts) and consumables or consumed as indirect materials in the manufacturing process.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

k. Foreign currency transactions

On initial recognition, Transactions in foreign currencies are translated to the functional currency of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at the closing date. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

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

Group companies

The results and financial position of foreign operations (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: • assets and liabilities are translated at the closing rate at the date of that balance sheet • income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and • All resulting exchange differences are recognised in other comprehensive income. When a foreign operation

is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

l. Revenue recognition

Revenue from contract with customers

The Group derives revenues primarily from sale of active pharmaceutical ingredients and contract research services. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- ii. the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. the Group's performance does not create an asset with an alternative use to the Group and an Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue in excess of invoicing are classified as contract asset / unbilled revenue while collections in excess of revenues are classified as contract liabilities / advance from customers.

In respect of contracts involving bill-and-hold arrangements, the Group determines whether the control of the underlying products have been transferred to the customer. For the purpose of determining whether such control is transferred,

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

the entity considers the following requirements as required by Ind AS 115:

- i. The reason for the bill-and-hold arrangement is substantive (i.e. the physical possession with the entity is pursuant to the customer's explicit request);
- ii. The product is separately identified as belonging to the customer;
- iii. The product is ready for physical transfer to the customer; and
- iv. The entity does not have the ability to use the product or to direct it to another customer.

The Group recognizes revenue in respect of bill-and-hold arrangements only when all of the aforementioned requirements are met. Further, at the time of such recognition, the entity also determines whether there are any material unsatisfied performance obligations and determines the portion of the aggregate consideration, if any, that needs to be allocated and deferred.

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 adjust any of the transaction prices for the time value of money.

Other operating revenue - Export incentives

The Group recognises exports incentives only when there is reasonable assurance that the conditions attached to them will be complied with, and the incentives will be received. .

Other income - Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the

gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other income - Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally, when shareholders approve the dividend.

m. 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 acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

n. Retirement and other employee benefits

Defined contribution plan

The Group's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

Defined benefit plan

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The Group recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through remeasurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The effect of any plan amendments are recognised in the statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

o. Taxes

Tax expense recognized in statement of profit or loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted or substantively enacted at the reporting date in the reporting date in the countries where the Group operates and generates taxable income. A current tax asset of one entity in a group is offset against a current tax liability of another entity in the group if, and only if, the entities concerned have a legally enforceable right to make or receive a single net payment and the entities intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously..

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the balance sheet method on temporary differences between the carrying amounts of assets and liabilities in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis ,or to realise the assets and settle the liabilities simultaneously, in each

future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered. .

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss(either in OCI or inequity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Group and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

p. Research and development expense

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognized as expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if:

- The product or the process is technically and commercially feasible;
- Future economic benefits are probable and ascertainable;
- The Group intends to and has sufficient resources, technical and financial, to complete development of the product and has the ability to use or sell the asset; and
- Development costs can be measured reliably.

Where the aforementioned criteria are not met, the expenditure is transferred to statement of profit and loss.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

q. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

r. Exceptional items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, impairment losses/write down in

value of investment in subsidiaries, significant disposal of property, plant and equipment, investment property etc.

(iii) Standards (including amendments) issued but not yet effective

Amendment to Ind AS 1 ‘Presentation of Financial Statements’- Classification of Liabilities as current or non-current and non-current liabilities with covenants:

The amendment includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, retrospectively, as outlined below:

- a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.
- b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.
- c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

The Company does not expect this amendment to have an impact on its operations or financial statements.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

3(A) PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Leasehold Improvements	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
Gross carrying value (at cost/ deemed cost)									
Balance as at April 01, 2024	2,874.83	20,488.15	-	48,952.34	258.45	488.65	2,080.51	1,584.19	76,727.12
Additions for the year	434.26	3,208.91	-	16,473.28	62.83	91.67	561.95	268.00	21,100.90
Disposals	-	(278.32)	-	(4,659.95)	(53.75)	(50.67)	(329.63)	(192.68)	(5,565.00)
Balance as at March 31, 2025	3,309.09	23,418.74	-	60,765.67	267.53	529.65	2,312.83	1,659.51	92,263.02
Additions for the year	1,758.72	3,404.63	817.37	14,779.27	419.81	147.52	470.14	718.36	22,515.82
Disposals	-	(0.55)	-	(1,851.74)	-	-	(229.07)	-	(2,081.36)
Balance as at March 31, 2026	5,067.81	26,822.82	817.37	73,693.20	687.34	677.17	2,553.90	2,377.87	112,697.48
Accumulated depreciation									
Balance as at April 01, 2024	-	4,078.92	-	19,656.53	131.17	179.53	772.44	858.17	25,676.76
Charge for the year	-	950.67	-	4,164.33	49.45	47.00	437.15	282.11	5,930.71
Disposals	-	(73.96)	-	(4,123.32)	(48.91)	(44.02)	(246.44)	(180.87)	(4,717.52)
Balance as at March 31, 2025	-	4,955.63	-	19,697.54	131.71	182.51	963.15	959.41	26,889.95
Charge for the year	-	913.78	20.97	6,035.39	65.64	56.06	528.70	326.73	7,947.27
Disposals	-	(0.44)	-	(1,324.13)	-	-	(156.68)	-	(1,481.25)
Balance as at March 31, 2026	-	5,868.97	20.97	24,408.80	197.35	238.57	1,335.17	1,286.14	33,355.97
Net carrying value as at March 31, 2025	3,309.09	18,463.11	-	41,068.13	135.82	347.14	1,349.68	700.10	65,373.07
Net carrying value as at March 31, 2026	5,067.81	20,953.85	796.40	49,284.40	489.99	438.60	1,218.73	1,091.73	79,341.51

Notes:

- Refer Note 14 for details of property, plant and equipment subject to charge on secured borrowings.
- During the year the Company has capitalised interest cost on specified borrowings amounting to ₹ Nil (March 31, 2025: ₹ 300.73) with the effective interest rate for capitalisation was approx Nil (March 31, 2025: 8.7%).

3(b). CAPITAL WORK-IN PROGRESS (CWIP)

(i) Capital work-in-progress

CWIP	As at April 1, 2025	Added during the year	Capitalised during the year	Closing as at March 31, 2026
Amount	4,455.29	39,010.43	(22,515.82)	20,949.90

CWIP	As at April 1, 2024	Added during the year	Capitalised during the year	Closing as at March 31, 2025
Amount	4,589.13	20,967.06	(21,100.90)	4,455.29

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

(ii) For Capital-work-in progress ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026					
Projects in progress	20,086.23	863.67	-	-	20,949.90
Projects temporarily suspended	-	-	-	-	-

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025					
Projects in progress	4,434.10	21.19	-	-	4,455.29
Projects temporarily suspended	-	-	-	-	-

Notes:

- 1
- Project execution plans are reviewed periodically on the basis of management judgement and estimates w.r.t future technology and development/economy/industry/regulatory environment and all the projects are assessed as per periodic plans.
- 2
- During the year the Company has capitalised interest cost on specified borrowings amounting to ₹ 148.93 (March 31, 2025: ₹ Nil) with the effective interest rate for capitalisation was approx 7.3% (March 31, 2025: Nil).
- 3
- Contractual Obligation: Refer Note 40 for details of contractual Commitments for acquiring Property, plant and equipment.

4(a) OTHER INTANGIBLE ASSETS

	Computer Software (Acquired)
Gross carrying value (at cost/deemed cost)	
Balance as at April 01, 2024	1,081.50
Additions for the year	60.90
Deletion	(18.35)
Balance as at March 31, 2025	1,124.05
Additions for the year	587.98
Deletion	(93.84)
Balance as at March 31, 2026	1,618.19
Accumulated amortisation	
Balance as at April 01, 2024	835.69
Charge for the year	132.39
Deletion	(18.35)
Balance as at March 31, 2025	949.73
Charge for the year	224.28
Deletion	(73.94)
Balance as at March 31, 2026	1,100.07
Net carrying value as at March 31, 2025	174.32
Net carrying value as at March 31, 2026	518.12

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

4 (b) INTANGIBLE ASSETS UNDER DEVELOPMENT

(i) Capital work-in-progress

Intangible assets under development	As at April 1, 2025	Addition during the year	Capitalised during the year	As at March 31, 2026
Computer Software	311.08	385.36	(587.98)	108.46

Intangible assets under development	As at April 1, 2024	Addition during the year	Capitalised during the year	As at March 31, 2025
Computer Software	-	371.98	(60.90)	311.08

(ii) For Intangible assets under development ageing schedule

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026					
Projects in progress	108.46	-	-	-	108.46
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025					
Projects in progress	311.08	-	-	-	311.08
Projects temporarily suspended	-	-	-	-	-

Project execution plans are reviewed periodically on the basis of management judgement and estimates w.r.t future technology and development/economy/industry/regulatory environment and all the projects are assessed as per periodic plans.

5. INVESTMENTS

	As at March 31, 2026	As at March 31, 2025
Non-current		
Investments in unquoted equity shares (fully paid up, unless stated otherwise)		
In others (carried at fair value through other comprehensive income) (Refer Note 5 below)		
2,200 (March 31, 2024: 2,200) equity shares of ₹100 each in Jeedimetla Effluent Treatment Limited (JETL)	31.86	25.58
209,136 (March 31, 2024: 209,136) equity shares of ₹10 each in Patancheru Enviro Tech Limited (PETL)	166.36	127.31
Total non-current investments	198.22	152.89
Aggregate value of unquoted investments	198.22	152.89
Change in fair value of the investments during the year	45.33	26.62
Current		
Investment in unquoted mutual funds (carried at fair value through profit or loss)		
Nil (March 31, 2025: 1,66,79,894.751) units in HDFC Short-term Debt	-	5,385.17

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Nil (March 31, 2025: 84,03,112.016) units in ICICI Prudential Short-term Debt	-	5,383.10
	-	10,768.27
In others (carried at fair value through other comprehensive income)		
402,000 (March 31, 2025: 402,000) equity shares of ₹10 each in Andhra Pradesh Gas Power Corporation Limited	750.00	750.00
Less: Impairment of investments in Andhra Pradesh Gas Power Corporation Limited	(750.00)	(750.00)
	-	-
Total current investments	-	10,768.27
Notes:		
Aggregate book value of unquoted current investments at cost	-	10,000.00
Change in fair value of the investments during the year	-	768.27
Total amount of impairment during the year	-	-
Aggregate amount of impairment in the value of investments	750.00	750.00

Investments in JETL and PETL are in the nature of investments in equity instruments which are not held for trading. Instead, they are held for long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at fair value through other comprehensive income ('FVTOCI'), irrevocably, as the Management believes that this provides a more meaningful presentation for long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

The investment was recognised initially at transaction cost and irrevocably designated at FVTOCI.

Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.

6. OTHER FINANCIAL ASSETS

	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good)		
Non-current		
Security deposits (Refer Note 39)	1,194.81	935.16
	1,194.81	935.16
Current		
Interest accrued on bank deposits	316.53	171.73
Unbilled revenue	117.28	49.83
	433.81	221.56

Note:

Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

7. OTHER ASSETS

	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good)		
Non-current		
Prepaid expenses	15.77	23.45
Capital advances (Refer Note 40)	4,121.11	1,513.13
Balances with government authorities	23.37	23.37
	4,160.25	1,559.95
Current		
Prepaid expenses	1,397.91	1,171.79
Advance to suppliers	1,145.16	2,215.91
Balances with government authorities	3,933.24	2,912.24
Export benefits receivable	740.38	626.02
Other advances	1.94	4.25
	7,218.63	6,930.21

8. INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

	As at March 31, 2026	As at March 31, 2025
Raw materials [including goods in transit of ₹ 408.19 (March 31, 2025 : Nil)]	20,774.32	14,173.44
Work-in-progress	24,958.08	15,530.20
Finished goods	3,857.82	6,859.47
Stores and consumables	1,438.42	2,012.58
	51,028.64	38,575.69

Notes:

- i. Refer Note 14 for information on inventories hypothecated as security by the company.
- ii. Write-down of inventories to net realisable value amounted to ₹ 227.82 (March 31, 2025: ₹ 302.02). These were recognised as an expense during the year and was included in changes in inventories of finished goods and work-in-progress and cost of materials consumed in the statement of profit and loss.

9. TRADE RECEIVABLES

	As at March 31, 2026	As at March 31, 2025
Trade receivables unsecured, considered good	54,135.31	31,572.06
Trade receivables - credit impaired	29.01	237.85
	54,164.32	31,809.91
Less: Allowance for credit impaired	(29.01)	(237.85)
	54,135.31	31,572.06

Notes:

- i. No trade receivables are due from any related parties including directors or other officers of the Company either severally or jointly with any other person.
- ii. Refer Note 31 for fair value measurement and refer note 32 for the Company's credit risk management process.
- iii. Refer Note 14 for information on Trade receivables hypothecated as security by the company.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

- iv. Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days.
- v. Trade receivables balance from the Company's largest customers individually representing more than 5% of total trade receivables balance as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Number of customers	3	4
Amount	23,885.73	13,951.14

- vi. Movement in the allowance for credit impaired trade receivables is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	237.85	63.15
Allowance for/reversal of credit impaired trade receivables	(134.14)	170.06
Effect of changes in the foreign exchange rates	0.58	4.64
Credit impaired trade receivables written off during the year	(75.28)	-
Balance at the end of the year	29.01	237.85

- vii. Trade Receivables ageing schedule

March 31, 2026								
Particulars	Not Due	Outstanding for following periods from due date of Receipts						
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Trade receivables – considered good	47,614.19	6,521.12	-	-	-	-	54,135.31	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	24.27	-	4.74	-	29.01	
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	
Gross Receivables	47,614.19	6,521.12	24.27	-	4.74	-	54,164.32	
Less: Allowance for credit impaired	-	-	24.27	-	4.74	-	29.01	
Total	47,614.19	6,521.12	-	-	-	-	54,135.31	

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

March 31, 2025

Particulars		Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	25,600.36	5,906.15	65.16	0.39	-	-	31,572.06
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	84.39	142.77	6.72	0.15	3.82	237.85
(iv)	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Gross Receivables		25,600.36	5,990.54	207.93	7.11	0.15	3.82	31,809.91
Less: Allowance for credit impaired		-	84.39	142.77	6.72	0.15	3.82	237.85
Total		25,600.36	5,906.15	65.16	0.39	-	-	31,572.06

10. CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Balance with banks:		
in current accounts	138.65	166.70
in exchange earners foreign currency accounts	6,610.63	3,882.06
in deposits with maturity of less than 3 months	-	6,305.00
in cash credit accounts	911.55	2,835.61
Cash on hand	6.21	3.67
	7,667.04	13,193.04

Note:

Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Unpaid dividend accounts	23.28	19.88
Deposits with maturity of more than 3 months but less than 12 months*	27,806.17	12,668.98
	27,829.45	12,688.86

Note:

Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.

* Includes deposits amounting to ₹ 2,806.17 (March 31, 2025: ₹1,411.98) held as margin money/commitment with the banks.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

12. EQUITY SHARE CAPITAL

	As at March 31, 2026		As at March 31, 2025	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of ₹10 each	4,40,00,000	4,400.00	4,40,00,000	4,400.00
Issued share capital				
Equity shares of ₹10 each, fully paid-up	1,30,23,434	1,302.34	1,30,23,434	1,302.34
Subscribed share capital				
Equity shares of ₹10 each, fully paid-up	1,29,33,165	1,293.32	1,29,33,165	1,293.32
Fully paid-up share capital				
Equity shares of ₹10 each	1,28,29,889	1,282.99	1,28,29,889	1,282.99
Add: Forfeited equity shares of ₹10 each		7.06		7.06
Total		1,290.05		1,290.05

Notes:

i. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Number	Amount	Number	Amount
Equity shares				
Balance at the beginning of the year	1,28,29,889	1,282.99	1,28,29,889	1,282.99
Add: Issued during the year	-	-	-	-
Balance at the end of the year	1,28,29,889	1,282.99	1,28,29,889	1,282.99

ii. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

iii. Details of shareholders holding more than 5% equity shares in the Company :

Name of the equity shareholders	As at March 31, 2026		As at March 31, 2025	
	Number	Holding	Number	Holding
Davuluri Ownership Trust	33,33,352	25.98%	33,33,352	25.98%
Malabar India Fund Limited	7,24,737	5.65%	7,39,204	5.76%

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

iv. Details of Equity shares held by Promoters at the end of the year :

S. No	Promoter name	March 31, 2026			March 31, 2025		
		No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
1	Davuluri Ownership Trust	33,33,352	25.98%	-	33,33,352	25.98%	25.98%
2	Dr. Davuluri Rama Mohan Rao	2,09,300	1.63%	-	2,09,300	1.63%	(19.96%)
3	Davuluri Vijaya Rao^	5,000	0.04%	-	5,000	0.04%	(4.74%)
4	Davuluri Sucheth Rao	2,57,969	2.01%	-	2,57,969	2.01%	(0.62%)
5	Davuluri Saharsh Rao	1,95,125	1.52%	(0.10%)	2,07,625	1.62%	(0.62%)
6	Davuluri Rohini Niveditha Rao^	85,780	0.67%	-	85,780	0.67%	-
7	Deepthi Davuluri^	12,500	0.10%	0.10%	-	-	-
8	Gannabathula Venkata Krishna Rama Rao	6,627	0.05%	(0.20%)	31,827	0.25%	(0.03%)
9	Gannabathula Veeravenkata Satyanarayanamurty^	31,222	0.24%	0.07%	21,222	0.17%	(0.02%)
10	Gannabathula Uma Bala^	6,409	0.05%	-	6,409	0.05%	-
11	Usha Rani Reddy Chevalla^	28,500	0.22%	(0.04%)	33,500	0.26%	(0.06%)
12	G V V Sriranganayakamma^	9,000	0.07%	0.07%	-	-	-
13	Kommula Kamala Tayaramma^	6,000	0.05%	0.05%	-	-	-
14	Velugubanti S Prasadarao^	100	0.00%	-	100	0.00%	-
15	Suryanarayana M Siram^	100	0.00%	-	100	0.00%	-
	Total	41,86,984	32.63%	(0.05%)	41,92,184	32.68%	(0.06%)

^Part of Promoter Group

v. Aggregate number of shares issued for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date:

There are no such shares issued, allotted or bought back during the period of five years immediately preceding the reporting date.

13. OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
Reserves and surplus		
Capital reserve	3.32	3.32
Securities premium	49,777.35	49,777.35
General reserve	2,789.65	2,789.65
Revaluation reserve	83.89	83.89
Retained earnings	1,34,323.25	99,463.00
Total reserves and surplus	1,86,977.46	1,52,117.21
Other comprehensive income		
Equity securities, net of taxes	(555.20)	(589.12)
Foreign currency translation reserve	186.88	115.63
Remeasurement of defined benefit plan, net of taxes	(451.90)	(453.14)
Total Other comprehensive income	(820.22)	(926.63)
	1,86,157.24	1,51,190.58

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Notes :

Nature and purpose of reserves

Capital reserve

Capital reserve was created on account of merger of Neuland Drugs & Pharmaceuticals Private Limited with the Company. The capital reserve can be utilised in accordance with the provisions of the Act.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balances	3.32	3.32

Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and face value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balances	49,777.35	49,777.35

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balances	2,789.65	2,789.65

Revaluation reserve

Revaluation reserve was created on account of revaluation of certain property, plant and equipment during the earlier years.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balances	83.89	83.89

Retained earnings

Retained earnings represent the Company's undistributed earnings after taxes.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	99,463.00	75,248.37
Add: Profit for the year	36,399.84	26,010.81
Less: Final dividend	(1,539.59)	(1,796.18)
Closing Balance	1,34,323.25	99,463.00

FVTOCI equity instruments

The Company has elected to recognise the change in fair value of certain investments in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	(589.12)	(610.06)
Add: Fair valuation changes for the year net of income tax	33.92	20.94
Closing Balance	(555.20)	(589.12)

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	115.63	98.92
Add: Exchange differences arising on translation of the foreign operations during the year	71.25	16.71
Closing Balance	186.88	115.63

Remeasurement of defined benefit plan

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit and loss.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	(453.14)	(411.01)
Add: Remeasurement of net defined benefit liability net of income tax	1.24	(42.13)
Closing Balance	(451.90)	(453.14)

14. BORROWINGS

	As at March 31, 2026	As at March 31, 2025
Non-current		
Secured		
Term loans		
From banks	19,051.64	13,073.30
Vehicle loans		
From financial institutions	609.67	527.71
	19,661.31	13,601.01
Less: Current maturities of long-term borrowings	3,566.58	4,528.27
	16,094.73	9,072.74

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Notes :

(a) Terms of repayment of term loans:

Loan	Currency	Outstanding as on 31-03-2026	Outstanding as on 31-03-2025	Number of instalments	Repayment start date	Basis of Interest
Term Loan 1	INR	-	481.29	28/ Quarterly	March'19	3M Repo Rate +spread (2%)
Term Loan 2	INR	-	267.86	28/ Quarterly	April'19	3M Repo Rate +spread (2%)
Term Loan 3	INR	349.85	1,048.41	20/ Quarterly	Oct'21	3M T Bill +Spread (1.6%)
Term Loan 4	USD	1,095.42	1,972.00	20/ Quarterly	June'22	1.80%
Term Loan 5	INR	7,318.25	9,203.74	20/ Quarterly	June'25	6 M MCLR
Term Loan 6	INR	8,556.00	100.00	20/ Quarterly	June'27	3M T Bill +Spread (1.85%)
Term Loan 7	INR	1,732.12	-	20/ Quarterly	May'27	Repo rate +Spread (2.15%)

- (b) The above loans are secured by pari-passu first charge on property, plant and equipment (both present and future) and second charge (hypothecation) on the current assets of the Company.
- (c) Vehicles loans outstanding to the tune of ₹ 609.67 (March 31, 2025: ₹ 527.71) are secured by hypothecation of specific vehicles against which the loan was availed. These vehicle loans are repayable in instalments in 48 months from the date of the loan.
- (d) All the above loans carry interest in the range of 1.8% to 8.9% per annum as at March 31, 2026 (March 31, 2025: 1.8% to 9.0% per annum) being floating and fixed rate.
- (e) The Company has utilised the Borrowings for the purpose for which it has obtained as mentioned in the respective agreements.
- (f) Refer Note 32 for the Maturity profile of borrowings including current maturities.
- (g) Refer Note 31 for fair value measurement

14. Borrowings

	As at March 31, 2026	As at March 31, 2025
Current		
Current maturities of long-term borrowings	3,566.58	4,528.27
	3,566.58	4,528.27

Notes:

- (i) The Company has access to financing facilities in the form of Letter of Credit / Bank Guarantee / Buyers Credit / Cash Credit facilities of ₹ 60,000.00 out of which ₹ 26,662.55 were not used (March 31, 2025 : ₹ 35,140.00 out of which ₹ 30,082.26 were not used) at the end of the reporting period.
- (ii) The loans with all working capital lenders are secured by way of pari-passu first charge on all the current assets of the Company and pari-passu second charge on Company's property, plant and equipment.
- (iii) The quarterly returns/statements submitted with banks are in agreement with the books of accounts.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

15. PROVISIONS

	As at March 31, 2026	As at March 31, 2025
Non-current		
Gratuity (Refer Note below and Note 39)	1,019.80	237.19
Compensated absences [Refer Note (vi) below]	566.31	485.04
	1,586.11	722.23
Current		
Compensated absences [Refer Note (vi) below]	230.78	209.72
	230.78	209.72

Notes:

Gratuity

The Company has a defined benefit funded gratuity plan and it operates through Neuland Laboratories Limited employee group gratuity trust ("the Trust") except for contract workman engaged through contractors. Every employee who has completed service of five years or more and one year or more in case of fixed term employees gets a gratuity on departure at 15 days wages (as defined as per New Labour Code) for each completed year of service. The Company has subscribed to a group gratuity scheme of Life Insurance Corporation of India (LIC) and SBI Life and contributes the gratuity liability to the Trust. Under the said policy, the eligible employees are entitled for gratuity upon their resignation or in the event of death in lumpsum after deduction of necessary taxes up to a maximum limit of ₹20.

The following table set out the status of the gratuity plan and the reconciliation of opening and closing balances of the present value and defined benefit obligation.

	As at/ For the year ended		As at/ For the year ended
	March 31, 2026		March 31, 2025
	Funded	Unfunded	Funded/ Unfunded
(i) Change in projected benefit obligation			
Projected benefit obligation at the beginning of the year	2,208.80	58.49	2,047.47
Service cost	225.15	145.96	174.39
Past service cost	766.62	-	-
Interest cost	144.17	-	127.23
Actuarial loss	38.84	-	95.83
Benefits paid	(276.02)	-	(177.63)
Projected benefit obligation at the end of the year	3,107.56	204.45	2,267.29
(ii) Change in plan assets			
Fair value of plan assets at the beginning of the year	2,030.10	-	1,682.07
Value adjustment	40.49	-	39.53
Expected return on plan assets	136.24	-	121.07
Employer contributions	360.00	-	360.00
Benefits paid	(274.62)	-	(172.57)
Fair value of plan assets at the end of the year	2,292.21	-	2,030.10

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	As at/ For the year ended		As at/ For the year ended
	March 31, 2026		March 31, 2025
	Funded	Unfunded	Funded/ Unfunded
(iii) Reconciliation of present value of obligation on the fair value of plan assets			
Present value of projected benefit obligation at the end of the year	3,107.56	204.45	2,267.29
Funded status of the plans	(2,292.21)	-	(2,030.10)
Net liability recognised in the balance sheet	815.35	204.45	237.19
(iv) Expense recognized in the statement of profit and loss			
Service cost	991.77	145.96	174.39
Interest cost	144.17	-	127.23
Expected returns on plan assets	(136.24)	-	(121.07)
Net gratuity costs	999.70	145.96	180.55
(v) Expense recognized in OCI			
Recognized net actuarial (gain)/ loss	(1.65)	-	56.30
	(1.65)	-	56.30
(vi) Key actuarial assumptions for Gratuity and Compensated absences			
Financial assumptions			
Discount rate	6.86%	6.64%	6.69%
Expected return on plan assets	6.69%	-	7.17%
Withdrawal Rate	Service Based: <5 years : 30% >= 5 years : 15%	30.00%	Service Based: <5 years : 30% >= 5 years :15%
Salary escalation rate	7.00%	4.50%	7.00%
Demographic assumptions			
Mortality rate as per Indian Assured Lives Mortality 2012-14 table			
(vii) Sensitivity Analysis			
The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate and salary escalation rate. The calculation of the net defined benefit liability is sensitive to respective assumptions, while holding all other assumptions constant. Sensitivity to these factors is disclosed below.			
Projected defined benefit obligation	3,107.56	204.45	2,267.29
Discount rate + 100 basis points	2,988.10	131.98	2,149.00
Discount rate - 100 basis points	3,234.42	140.42	2,305.29
Salary increase rate + 100 basis points	3,212.24	141.14	2,319.07
Salary increase rate - 100 basis points	3,001.35	131.23	2,129.11
The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.			
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.			
There has been no change in the process used by the Company to manage its risks from prior periods.			

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

	As at/ For the year ended		As at/ For the year ended
	March 31, 2026		March 31, 2025
	Funded	Unfunded	Funded/ Unfunded
(viii) Maturity analysis of projected benefit obligation			
1 year	564.16	96.98	503.42
2 to 5 years	1,594.66	78.52	1,092.21
6 to 10 years	669.24	24.98	483.59
More than 10 years	279.50	3.97	188.06

16. DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities arising on account of:		
Property, plant and equipment, goodwill and other intangible assets	7,453.55	7,281.25
Fair value of investments	44.07	208.44
Others	154.01	126.14
Deferred tax assets arising on account of:		
Employee benefits	(476.27)	(246.14)
Allowance for credit impaired trade receivables	(7.30)	(58.67)
Lease liability net of right-of-use assets	(271.70)	(28.81)
Deferred tax liabilities (net)	6,896.36	7,282.21

2025-26	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities /(assets) in relation to:				
Property, plant and equipment, goodwill and other intangible assets	7,281.25	172.30	-	7,453.55
Employee benefits payable	(246.14)	(230.54)	0.41	(476.27)
Allowance for credit impaired trade receivables	(58.67)	51.37	-	(7.30)
Lease liability net of right-of-use assets	(28.81)	(242.89)	-	(271.70)
Fair value of investments	208.44	(175.78)	11.41	44.07
Others	126.14	27.87	-	154.01
Total	7,282.21	(397.67)	11.82	6,896.36

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

2024-25	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities /(assets) in relation to:				
Property, plant and equipment, goodwill and other intangible assets	7,178.66	102.59	-	7,281.25
Employee benefits payable	(242.95)	10.63	(13.82)	(246.14)
Allowance for credit impaired trade receivables	(15.89)	(42.78)	-	(58.67)
Lease liability net of right-of-use assets	(16.74)	(12.07)	-	(28.81)
Fair value of investments	25.96	175.78	6.70	208.44
Investment property	(995.34)	995.34	-	-
Others	110.22	15.92	-	126.14
Total	6,043.92	1,245.41	(7.12)	7,282.21

17. TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (MSME)	1,264.29	843.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,650.12	24,377.32
	26,914.41	25,220.36

Notes:

- i. Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.
- ii. The Trade payables are non interest bearing and are normally settled within the due date of amount payable.
- iii. Trade payables ageing schedule:

March 31, 2026	Current					
Particulars	Payables Not Due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,264.29	-	-	-	-	1,264.29
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	14,925.68	4,422.10	4,422.32	1,880.02	-	25,650.12
(iv) Disputed dues - Others	-	-	-	-	-	-
	16,189.97	4,422.10	4,422.32	1,880.02	-	26,914.41

March 31, 2025	Current					
Particulars	Payables Not Due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	770.93	72.11	-	-	-	843.04
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	15,431.99	8,119.70	819.44	5.51	0.68	24,377.32
(iv) Disputed dues - Others	-	-	-	-	-	-
	16,202.92	8,191.81	819.44	5.51	0.68	25,220.36

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

18. OTHER FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Current		
Interest accrued but not due on borrowings	5.88	10.58
Interest accrued on micro enterprises and small enterprises payable	5.87	13.74
Unclaimed dividends	23.28	19.88
Capital creditors*	3,109.48	791.91
Employee benefits payable (Refer Note 39)	3,891.85	2,747.83
Accrual for expenses (Refer Note 39)	5,641.90	4,870.76
	12,678.26	8,454.70

Note:

Refer Note 31 for fair value measurement and Note 32 for information about the company's exposure to financial risks.

* includes outstanding dues of MSME ₹ 928.96 (March 31, 2025: ₹ 102.96)

19. OTHER LIABILITIES

	As at March 31, 2026	As at March 31, 2025
Current		
Advance from customers	24,450.05	7,264.21
Liability towards Corporate Social Responsibility ('CSR') expenditure	13.83	64.67
Statutory liabilities	853.90	566.82
	25,317.78	7,895.70

20. REVENUE FROM OPERATIONS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contracts with customers		
Sale of products	1,88,735.31	1,37,766.51
Sale of services*	4,476.59	5,671.70
Other operating revenue		
Sale of impurities	173.26	387.16
Sale of scrap	6,469.75	1,544.21
Export incentives	2,443.63	2,314.15
	2,02,298.54	1,47,683.73

Revenue disaggregation as per geography has been included in segment information (Refer Note 38)

Notes:

Performance Obligation:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Sale of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer. In certain non-standard contracts, where the Company provides warranties in service of consumer durable goods, the same is accounted for as a separate performance obligation and a portion of the transaction price is allocated based on its relative standalone prices. The performance obligation for the warranty service is satisfied over a period of time based on time elapsed.

Remaining performance obligations

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations in case of contracts for which revenues are recorded over a period of time is ₹232.20 (March 31, 2025: ₹211.36), which is expected to be fully recognised as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above and contract asset relating to partially satisfied performance obligations aggregates to ₹117.28 as at March 31, 2026 (March 31, 2025: ₹49.83)

*Reconciliation of revenues from sale of service with the contracted price

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contracted price	4,409.14	5,868.28
Adjustment for:		
Change in unbilled revenue	67.45	(196.58)
Revenue from contract with customers	4,476.59	5,671.70

21. OTHER INCOME

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income		
On fixed deposits with banks carried at amortised cost	926.24	958.06
On security deposits at amortised cost	38.95	28.19
On income tax refund	-	33.05
On electricity deposits at amortised cost	40.35	39.10
Net gain on foreign currency transaction and translation	1,056.46	59.57
Gain on redemption of investments carried at FVTPL	755.47	-
Gain on fair valuation of investments carried at FVTPL	-	768.27
Insurance and other claims	-	9.30
Liabilities/provision no longer required written back	199.15	155.39
	3,016.62	2,050.93

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

22. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw materials at the beginning of the year	14,173.44	9,897.25
Add: Purchases during the year*	88,577.33	61,756.87
Less: Raw materials at the end of the year	20,774.32	14,173.44
Total Cost of materials consumed	81,976.45	57,480.68

*Disclosed based on derived figures.

23. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening stock		
- Finished goods	6,859.47	8,903.05
- Work-in-progress	15,530.20	14,769.74
	22,389.67	23,672.79
Closing stock		
- Finished goods	3,857.82	6,859.47
- Work-in-progress	24,958.08	15,530.20
	28,815.90	22,389.67
	(6,426.23)	1,283.12

24. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages, bonus and other allowances	29,877.96	24,490.08
Contribution to provident and other funds (Refer Note below)	1,430.87	1,136.87
Gratuity expense (Refer Note 15 and Note 39)	1,145.66	180.55
Compensated absences expense (Refer Note 15)	284.19	275.69
Staff welfare expenses	1,375.46	1,117.29
	34,114.14	27,200.48

Note: During the year ended March 31, 2026, the Company contributed ₹1,341.63 (March 31, 2025: ₹1,067.36) to provident fund, ₹64.31 (March 31, 2025: ₹50.87) to other social security fund and ₹24.93 (March 31,2025: ₹18.64) towards employee state insurance.

25. FINANCE COSTS

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on borrowings	1,171.07	741.99
Interest expense on lease liabilities (Refer Note 43)	695.19	137.68
Interest other costs	152.34	-
Other borrowing costs	525.07	250.77
	2,543.67	1,130.44
Less: Borrowing costs capitalised as a part of property, plant and equipment [Refer Note 3 (a) & (b)]	(148.93)	(300.73)
	2,394.74	829.71

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

26. DEPRECIATION AND AMORTISATION EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment [Refer Note 3(a)]	7,947.27	5,930.71
Depreciation on right-of-use assets (Refer Note 43)	1,002.40	491.56
Amortisation of intangible assets [Refer Note 4(a)]	224.28	132.39
	9,173.95	6,554.66

27. MANUFACTURING EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spare parts	6,800.24	5,777.12
Consumption of packing material	412.75	364.41
Power and fuel	5,814.03	5,056.42
Carriage inwards	263.43	318.63
Repairs and maintenance		
- Buildings	1,031.37	574.54
- Plant and equipment	1,364.28	1,059.56
- Others	1,406.28	1,624.34
Effluent treatment and testing charges	2,069.06	1,511.98
	19,161.44	16,287.00

28. OTHER EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Rent (Refer Note 43)	159.11	136.05
Corporate Social Responsibility ('CSR') expenditure (refer note i below)	608.99	491.52
Rates and taxes	763.53	561.67
Travelling and conveyance	2,308.75	2,120.70
Legal and professional fees	4,596.72	2,984.92
Remuneration to statutory auditors (refer note ii below)	73.06	55.39
Insurance	542.63	689.34
Subscription expense	2,248.90	1,752.19
Sales promotion expenses including commission (Refer Note 39)	1,207.08	1,444.97
Freight and forwarding charges	1,882.88	937.89
Provision for credit impaired trade receivables (Refer Note 9)	-	170.06
Loss on sale of property, plant and equipment, net	527.38	731.06
Directors commission (Refer Note 39)	210.00	150.00
Directors sitting fees (Refer Note 39)	36.70	31.00
Miscellaneous expenses	857.23	849.71
	16,022.96	13,106.47

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

29. TAX EXPENSES

	For the year ended March 31, 2026	For the year ended March 31, 2025
Income tax expense recognised in the statement of profit and loss consists of the following:		
Current income tax	12,895.54	7,376.68
Deferred tax (credit)/charge	(397.67)	1,245.41
Total tax expense for the year	12,497.87	8,622.09
Income tax expense recognised in Other Comprehensive Income :		
Income tax impact on re-measurement of defined benefit plans	(0.41)	14.16
Income tax impact on Equity instruments	(11.41)	(7.04)
Income tax (credit)/charged to Other Comprehensive (Income)/loss	(11.82)	7.12

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 25.17% (March 31, 2025: 25.17%) and the reported tax expense in the statement of profit and loss is as follows:

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	48,897.71	34,632.90
Tax rate applicable to the Company	25.17%	25.17%
Estimated tax expense on profit	12,306.58	8,716.41
Increase/(decrease) in tax expenses on account of:		
Chapter VI A deduction	(37.06)	(25.92)
Impact of foreign taxes	3.74	3.25
Expenses not deductible for tax purposes	195.18	131.51
Adjustment on amount of change in tax rate on capital items	17.58	995.34
Effect of lower tax rate on sale of investment property	-	(1,205.33)
Others	11.85	6.83
Tax expense	12,497.87	8,622.09

30. EARNINGS PER SHARE (EPS)

Earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Profit for the year	36,399.84	26,010.81
(b) Computation of weighted average number of equity shares:		
Weighted average number of equity shares outstanding during the year	1,28,29,889	1,28,29,889
(c) Face value of equity share (in absolute ₹)	10.00	10.00
(d) EPS : Basic and diluted*	283.71	202.74

*There are no items giving rise to dilutive equity share. Hence basic EPS is considered as diluted EPS

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

31. FAIR VALUE MEASUREMENTS

(i) Fair value hierarchy

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

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

Level 2: The fair value of Financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data either directly or indirectly.

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

(ii) Financial assets and financial liabilities measured at fair value

	March 31, 2026		March 31, 2025	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Investments	-	198.22	10,768.27	152.89

(iii) Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

	March 31, 2026			March 31, 2025		
	FVTPL	FVTOCI	Amortised cost/ at cost	FVTPL	FVTOCI	Amortised cost/ at cost
Financial assets						
Investments	-	198.22	-	10,768.27	152.89	-
Trade receivables	-	-	54,135.31	-	-	31,572.06
Cash and cash equivalents	-	-	7,667.04	-	-	13,193.04
Other bank balances	-	-	27,829.45	-	-	12,688.86
Other financial assets	-	-	1,628.62	-	-	1,156.72
Total financial assets	-	198.22	91,260.42	10,768.27	152.89	58,610.68

	Amortised Cost	
	March 31, 2026	March 31, 2025
Financial liabilities		
Borrowings	19,661.31	13,601.01
Lease liability	10,465.91	2,112.75
Trade payables	26,914.41	25,220.36
Other financial liabilities	12,678.26	8,454.70
Total financial liabilities	69,719.89	49,388.82

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets comprise of loans, trade and other receivables, cash and cash equivalents and other bank balances derived directly from its operations.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

- (iv) The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value. For financial assets measured at fair values, the carrying amounts are equal to the fair values.

32. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company is exposed to various financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The Company's risk management policies are established to identify and analyse the risks faced by the Company and seek to, where appropriate, minimize potential impact of the risk and to control and monitor such risks. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for management of these risks

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 risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, trade receivables and other financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2026 and March 31, 2025. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations; provisions; and non-financial assets and liabilities.

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 has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The management monitors the interest rate movement and manages the interest rate risk based on its policies, which include entering into interest rate swaps as considered necessary. The Company's investment in deposits with banks are for short durations and therefore do not expose the Company to significant interest rate risk. Below are the details of exposure to fixed rate and variable rate instruments:

Particulars	March 31, 2026	March 31, 2025
Fixed rate instruments		
Financial assets	27,806.17	18,973.98
Financial liabilities	1,705.09	2,499.71
Variable rate instruments		
Financial liabilities	17,956.22	11,101.30

Every 0.5% increase/decrease in the interest rate component applicable to the respective borrowings would effect the Company's net profit before tax resulting in an expense/income of ₹89.78 and ₹55.51 for the year ended March 31, 2026 and March 31, 2025 respectively.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

ii. Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of change in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency) and financing activities (when borrowings are denominated in foreign currency), The foreign currencies in which these transactions are denominated are US Dollars, Euros, Japanese Yen, Great British Pound and Swiss Franc.

a) Significant foreign currency risk exposure relating to financial assets and financial liabilities expressed in ₹ terms are as follows:

Financial assets

Trade receivables	March 31, 2026	March 31, 2025
- USD	42,936.39	22,381.24
- EUR	63.35	135.46

Cash and cash equivalents	March 31, 2026	March 31, 2025
- USD	6,626.13	3,942.27
- EUR	0.75	-
- JPY	122.02	94.93

Financial liabilities

Trade and other payables	March 31, 2026	March 31, 2025
- USD	10,111.36	9,587.73
- EUR	14.50	8.02
- GBP	27.43	61.83
- CHF	-	7.69
- JPY	0.06	0.03

Borrowings	March 31, 2026	March 31, 2025
- USD	1,096.82	1,972.00

b) Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Impact on profit before tax for the year ended	
	March 31, 2026	March 31, 2025
USD sensitivity		
₹/USD - Increase by 5%	1,917.72	738.19
₹/USD - Decrease by 5%	(1,917.72)	(738.19)
EUR sensitivity		
₹/EUR - Increase by 5%	2.48	6.37
₹/EUR - Decrease by 5%	(2.48)	(6.37)

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

iii. Equity price risk:

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as FVTOCI/FVTPL. An increase/(decrease) in fair value of investments by 10% shall impact the Company's equity and total comprehensive income by ₹19.82 (March 31, 2025: ₹1092.12).

B. Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, leading to a financial loss. The Company is mainly exposed to the risk of its balances with the bankers and trade and other receivables. None of the Company's cash equivalents, other bank balances, loans and security deposits were past due or impaired as at March 31, 2026 and March 31, 2025.

Ageing of trade receivables is as follows:

	March 31, 2026	March 31, 2025
Neither past due nor impaired	47,614.19	25,600.36
Past due not impaired:		
0-180 days	6,521.12	5,906.15
Greater than 180 days	-	65.55
	54,135.31	31,572.06

C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

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:

March 31, 2026	Carrying Amount	Undiscounted cash flows			Total
		Up to 1 year	From 1 to 3 years	More than 3 years	
Borrowings	19,661.31	3,566.59	8,220.47	7,874.25	19,661.31
Lease liabilities	10,465.91	1,428.75	3,493.97	10,566.89	15,489.61
Trade payables	26,914.41	26,914.41	-	-	26,914.41
Other financial liabilities	12,678.26	12,678.26	-	-	12,678.26
Total	69,719.89	44,588.01	11,714.44	18,441.14	74,743.59

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

March 31, 2025	Carrying Amount	Undiscounted cash flows			Total
		Up to 1 year	From 1 to 3 years	More than 3 years	
Borrowings	13,601.01	4,528.27	5,512.13	3,560.61	13,601.01
Lease liabilities	2,112.75	434.36	720.21	1,870.75	3,025.32
Trade payables	25,220.36	25,220.36	-	-	25,220.36
Other financial liabilities	8,454.70	8,454.70	-	-	8,454.70
Total	49,388.82	38,637.69	6,232.34	5,431.36	50,301.39

33. CAPITAL RISK 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 and 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 or sell assets to reduce debt. Total capital is the equity as shown in the statement of financial position. Currently, the Company primarily monitors its capital structure on the basis of the following gearing ratio. Management is continuously evolving strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Company.

The capital for the reporting year under review is summarized as follows:

	As at March 31, 2026	As at March 31, 2025
Total borrowings	19,661.31	13,601.01
Less: Cash and cash equivalents (including bank deposits with original maturity between 3 to 12 months)	(35,473.21)	(25,862.02)
Net debt	(15,811.90)	(12,261.01)
Total equity	187,447.29	152,480.63
Net debt to equity ratio	(8.44%)	(8.04%)

34. NET DEBT RECONCILIATION

Particulars	Long-term borrowings	Lease Liabilities	Total
As at March 31, 2024	8,250.70	1,288.26	9,538.96
Cash flows (net)	5,534.29	(541.73)	4,992.56
New Lease	-	1,228.54	1,228.54
Non-cash flows (net)	-	137.68	137.68
Forex adjustment	(183.98)	-	(183.98)
As at March 31, 2025	13,601.01	2,112.75	15,713.76
Cash flows (net)	6,089.15	(747.76)	5,341.39
New Lease	-	8,405.73	8,405.73
Non-cash flows (net)	-	695.19	695.19
Forex adjustment	(28.85)	-	(28.85)
As at March 31, 2026	19,661.31	10,465.91	30,127.22

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

35. RESEARCH AND DEVELOPMENT EXPENSES

Details of research and development expenses (excluding depreciation and amortisation expense) incurred during the year and included under various heads of expenditures are given below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue Expenditure		
Salaries and wages	3,428.43	2,668.71
Consumption of raw materials and consumables	1,474.27	991.31
Power and fuel	302.89	306.62
	5,205.59	3,966.64
Capital Expenditure	2,714.99	2,157.13

36(a) INVESTMENT PROPERTY

Investment properties comprise of carrying value of land and building, representing the cost incurred towards development and construction activity at the said land situated at Nanakramguda, Hyderabad, duly allotted by Telangana State Industrial Infrastructure Corporation Limited ("TSIIC") (erstwhile Andhra Pradesh Industrial Infrastructure Corporation Limited).

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gross block		
Opening balance	-	1,992.07
Disposal	-	(1,992.07)
Closing balance	-	-
Accumulated depreciation		
Opening balance	-	89.31
Disposal	-	(89.31)
Closing balance	-	-
Net Block	-	-
Fair Value	-	-

36(b) During the previous year, the Company has fully transferred an investment property located in Nanakramguda, Hyderabad, Telangana, through perpetual lease, resulting in total profit of ₹ 7,640.36 lakhs being the profit is exceptional in nature, it has been disclosed as a separate line item.

37. GOODWILL

Pursuant to the Scheme of Amalgamation and Arrangement ("the Scheme") duly approved by the National Company Law Tribunal, Hyderabad Bench vide their order dated March 21, 2018, Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL") (together referred to as "Transferor Companies"), were merged with the Company with appointed date of April 1, 2016. NHSPL was engaged in the business of conducting research and development of Peptides and NPRPL was in the business of contract research services.

The purchase consideration of ₹31,084.99 paid by way of issue of 2,270,635 equity shares of ₹10 each [in accordance with the Scheme, 4,590,608 equity shares of ₹10 each held by NHSPL in the Company stands cancelled and the Company has issued 6,861,095 and 148 fully paid-up equity shares of ₹10 each to the shareholders of NHSPL and NPRPL respectively] at a premium of ₹1,359 per equity share.

Excess of consideration paid over net assets taken over aggregating to ₹27,946.10 is recognized as Goodwill.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

Reconciliation of the carrying amount of goodwill:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	27,946.10	27,946.10
Add: Due to acquisition during the year	-	-
Less: Impairment/write off	-	-
Closing Balance	27,946.10	27,946.10

The recoverable amount of the above cash generating unit ("CGU") has been assessed using a value-in-use model. The recoverable value is computed based on the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The following table sets out the key assumptions for CGU:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	12.51%	13.57%
Growth rate*	5.00%	5.00%
Tax rate	25.17%	25.17%

*The growth rate assumptions applies only to the period beyond the formal budgeted period with the value in use calculation based on an extrapolation of the budgeted cash flows for year five.

38. SEGMENT REPORTING

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segment' and believes that the Group has only one reportable segment namely "manufacture of active pharmaceutical ingredients and allied services".

Geography-wise details of the Group's revenues from external customers and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) and revenue from major customers are given below:

(i) Analysis of Group's revenues based on the location of the customers:

	For the year ended March 31, 2026	For the year ended March 31, 2025
India	48,409.19	47,563.99
Europe	67,544.32	42,909.39
USA and North America	71,345.10	42,213.05
Rest of the world	14,999.93	14,997.30
	2,02,298.54	1,47,683.73

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

(ii) Analysis of Group's non-current assets based on the location of the assets:

	As at March 31, 2026	As at March 31, 2025
India	1,43,305.04	1,02,947.67
USA and North America	-	-
Rest of the world	2.82	2.75
	1,43,307.86	1,02,950.42

(iii) Major customer

The Group has three customer group who contributed more than 10% of the Group's revenue (excluding other operating revenue) during the current year. The revenue from such major customer group during the year is ₹ 1,08,782.90. (March 31, 2025: ₹50,427.26).

39. RELATED PARTY DISCLOSURES

(a) Names of the related parties and nature of relationship

Particulars
Enterprise over which key management personnel exercise significant influence
Neuland Foundation
Entity that is a post-employment benefit plan for the benefit of employees.
Neuland Laboratories Limited employees group gratuity scheme
Key Management Personnel
Dr. D. R. Rao - Whole Time Director (WTD) designated as Executive Chairman
Mr. D. Sucheth Rao - WTD designated as Vice Chairman and CEO (designated as Executive Vice Chairman w.e.f April 1, 2026)
Mr. D. Saharsh Rao - WTD designated as Vice Chairman & Managing Director (designated as CEO & Managing Director w.e.f April 1, 2026)
Dr. Christopher M. Cimarusti - Non-Executive Non-Independent Director (Ceased w.e.f Feb 28, 2026)
Mrs. Bharati Rao - Non-Executive Independent Director (Ceased w.e.f May 8, 2024)
Dr. Nirmala Murthy - Non-Executive Independent Director (Ceased w.e.f May 7, 2025)
Mr. Homi Rustam Khusrokhhan - Non-Executive Independent Director
Mr. Prasad Raghava Menon - Non-Executive Independent Director
Mr. Sugata Sircar -Non-Executive Independent Director
Mrs. Pallavi Joshi Bakhru - Non-Executive Independent Director
Dr. Ravi Shankar Gopinath - Non-Executive Independent Director (Appointed w.e.f Aug 1, 2025)
Mrs. Sarada Bhamidipati - Company Secretary
Mr. Abhijit Majumdar - Chief Financial Officer
Relatives of Key Management Personnel
Mrs. D. Vijaya Rao
Mrs. D. Rohini Niveditha Rao
Mrs. Deepthi Davuluri

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

(b) Transactions with related parties

	For the year ended March 31, 2026	For the year ended March 31, 2025
Enterprise over which key management personnel exercise significant influence		
Neuland Foundation- Contribution towards CSR obligation	529.60	-
Transactions with KMP		
Managerial remuneration		
Dr. D. R. Rao	1,467.00	1,005.00
Mr. D. Sucheth Rao	1,380.00	1,005.00
Mr. D. Saharsh Rao	1,380.00	1,005.00
Mrs. Sarada Bhamidipati	52.00	46.01
Mr. Abhijit Majumdar	211.30	193.85
Rent		
Mr. D. Sucheth Rao	129.09	145.10
Mr. D. Saharsh Rao	129.09	145.10
Director's sitting fee		
Dr. Christopher M. Cimarusti	3.50	3.00
Mrs. Bharati Rao	-	0.20
Dr. Nirmala Murthy	0.50	5.60
Mr. Homi Rustam Khusrokhhan	7.90	6.20
Mr. Prasad Raghava Menon	7.30	4.60
Mr. Sugata Sircar	6.70	5.20
Mrs. Pallavi Joshi Bakhru	8.10	6.20
Dr. Ravi Shanker Gopinath	2.70	-
Commission		
Dr. Christopher M. Cimarusti	35.00	25.00
Dr. Nirmala Murthy	-	25.00
Mr. Homi Rustam Khusrokhhan	35.00	25.00
Mr. Prasad Raghava Menon	35.00	25.00
Mr. Sugata Sircar	35.00	25.00
Mrs. Pallavi Joshi Bakhru	35.00	25.00
Dr. Ravi Shanker Gopinath	35.00	-
Professional fee		
Dr. Christopher M. Cimarusti	8.59	20.29
Transactions with relatives of KMP		
Rent		
Mrs. D. Vijaya Rao	96.26	91.68
Entity that is a post-employment benefit plan for the benefit of employees.		
Neuland Laboratories Limited employees group gratuity scheme	360.00	360.00

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

(c) Balances receivable/(payables)

		As at March 31, 2026	As at March 31, 2025
Key Management Personnel			
Mr. D. Sucheth Rao	Security deposit	121.40	121.40
Mr. D. Saharsh Rao	Security deposit	121.40	121.40
Dr. D. R. Rao	Remuneration payable	(867.00)	(555.00)
Mr. D. Sucheth Rao	Remuneration payable	(780.00)	(555.00)
Mr.D. Saharsh Rao	Remuneration payable	(780.00)	(555.00)
Mrs. Sarada Bhamidipati	Remuneration payable	(4.42)	(3.45)
Mr. Abhijit Majumdar	Remuneration payable	(31.69)	(29.08)
Dr. Christopher M. Cimarusti	Sitting Fee/Commission/Professional Fee	(35.00)	(25.00)
Dr. Nirmala Murthy	Sitting Fee/Commission	-	(25.00)
Mr. Homi Rustam Khusrokhhan	Sitting Fee/Commission	(35.00)	(25.00)
Mr. Prasad Raghava Menon	Sitting Fee/Commission	(35.00)	(25.00)
Mr. Sugata Sircar	Sitting Fee/Commission	(35.00)	(25.00)
Mrs. Pallavi Joshi Bakhru	Sitting Fee/Commission	(35.00)	(25.00)
Dr. Ravi Shanker Gopinath	Sitting Fee/Commission	(35.00)	-
Relative of Key Management Personnel			
Mrs. D Vijaya Rao	Security deposit	19.20	19.20

(d) Remuneration to KMP excludes contribution for gratuity and compensated absences as the increment liability has been accounted for the Company as a whole.

(e) Transaction with related parties

In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the subsidiaries, are carried at an arm’s length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arms length prices.

40. COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to ₹15,418.18 (March 31, 2025: ₹8,325.51).

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

41. CONTINGENT LIABILITIES AND PENDING LITIGATIONS

	As at March 31, 2026	As at March 31, 2025
Disputed income tax liabilities	748.10	767.11
GST/Customs	112.33	125.82
Other Disputes/Matters		
CIGSR Order for land parcel at Bonthapally in survey no 490/2- refer note (a) below	0.64	0.64
CIGSR Order for land parcel at Bonthapally in survey no 490/1- refer note (b) below	3.30	3.30
Surcharge levied on charges for surplus energy allocated from APGPCL refer note (c) below	453.29	-
Certain disputes, for unascertained amounts are pending in the Labor Courts, Telangana Since, the chance of appellants succeeding in their claims is less than probable, the Company does not expects any liability in this respect.	Not ascertainable	Not ascertainable

Notes:

Other Disputes/Matters:

- (a) Our Company purchased land in Survey No. 490/2 situated at Bonthapally Village, Jinnaram Mandal, Medak District. The Revenue department issued notices to our Company for resumption of the said land on the ground that the same was "assigned land". Our Company has filed an application before the Collector, Medak District for regularization of the said land as per the applicable laws. Our Company also filed a writ petition before the High Court praying for an order not to take any coercive steps. The High Court vide its order dated March 18, 2011 directed the revenue department to not take any coercive steps till the disposal of the representation filed by our Company.

The matter is pending before the Collector, Medak District. The management believes that the outcome will be in favour of the Company and hence no adjustment is made in the financial statements.

- (b) During the financial year ended March 31, 2008, the Commissioner and Inspector General of Stamps and Registration (CIGSR), Andhra Pradesh has vide it's order dated February 22, 2008 has cancelled the registration of the land parcel owned by the Company situated at Bonthapally pursuant to complaint made by one of the seller. Aggrieved by the aforesaid order the Company has filed a writ petition challenging order of CIGSR with Hon'ble High Court of Telangana (the 'Court') as the Company was not involved during the proceedings. The Court has vide its order dated December 31, 2010 has directed to maintain the status quo with regards to the possession of the property till further orders passed. Proceedings of the case are still pending with the court. The management is confident that orders will be in the favour of the Company, hence no adjustment is deemed necessary to the financial statements.

- (c) The Company received demand notices from the electricity authority (TSSPDCL) for amounts related to surplus power adjustments between 2005 and 2007. Following a High Court ruling that allowed revised billing, the authority demanded both principal amount and surcharge (interest).

The Company has already paid the principal amount under protest. Based on legal advice, management believes no additional liability (particularly for surcharge) will arise.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

42. ADDITIONAL DISCLOSURE AS REQUIRED UNDER PARAGRAPH 2 OF 'GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS' OF THE SCHEDULE III TO THE ACT

	Net assets*		Share in profit / (loss)		Share in other comprehensive income ("OCI")		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount
Parent	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Subsidiary incorporated outside India	98.54%	186,585.13	98.54%	151,779.06	99.75%	36,310.50	99.74%	25,942.53
Neuland Laboratories Inc	0.39%	736.00	0.39%	592.95	0.22%	78.86	0.24%	62.96
Neuland Laboratories KK	0.07%	141.99	0.07%	124.41	0.03%	10.48	0.03%	5.31
Total	100.00%	187,463.12	100.00%	152,496.42	100.00%	36,399.84	100.00%	26,010.80
Consolidation adjustments	0.00	(15.83)	0.00%	(15.79)	(66.96%)	-	0.00%	0.01
Net amount	100.00%	187,447.29	100.00%	152,480.63	(33.92)%	36,399.84	100.00%	26,010.81

* Net assets means total assets minus total liabilities excluding shareholders funds.

Note:

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impact on elimination of inter-company transactions / profits / consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under the requirements of the Act.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

43. LEASES

The Company has entered into leases of office premises and residential bungalow, with no restrictions and are renewable at the option of either of the parties, for a period of 3 years to 10 years. There are no sub leases. The Company applies the short term lease and lease of low value assets recognition exemption for few leases.

Particulars	As at/ For the year ended March 31, 2026	As at/ For the year ended March 31, 2025
(i) The movement in right-of-use assets is as follows :		
Opening balance	1,998.28	1,221.75
Addition/Adjustment during the year	8,891.37	1,268.09
Depreciation charge for the year (Refer Note 26)	(1,002.40)	(491.56)
Closing balance	9,887.25	1,998.28
(ii) The break-up of current and non-current lease liabilities is as follows		
Non-current lease liabilities	9,969.48	1,861.76
Current lease liabilities	496.43	250.99
(iii) The movement in lease liabilities is as follows :		
Opening balance	2,112.75	1,288.26
Recognised/Adjustment made during the year	8,405.73	1,228.54
Unwinding of discount on lease liabilities	695.19	137.68
Repayment of lease liabilities	(52.57)	(404.05)
Interest on lease liabilities (Refer Note 25)	(695.19)	(137.68)
Closing balance	10,465.91	2,112.75
(iv) The contractual maturities of lease liabilities on an undiscounted basis are as follows:		
Less than one year	1,428.75	434.36
One to five years	8,554.54	1,402.18
More than five years	5,506.32	1,188.78

Notes:

1. The aggregate depreciation expense on right-of-use assets of ₹ 1,002.40 (March 31, 2025: ₹ 491.56) is included under depreciation and amortization expense in the Statement of Profit and Loss.
2. Rental expense recorded for short-term and low value leases was ₹ 159.11 (March 31, 2025: ₹ 136.05) for the year ended March 31, 2026 (Refer Note 28).
3. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

44. On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

45. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

46. OTHER STATUTORY INFORMATION:

- i The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- ii The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- iii The Company does not have any transactions with companies struck off under section 248 of the Act, or section 560 of Companies Act, 1956.
- iv The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- v The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- vi The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- vii 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).
- viii The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes forming part of the Consolidated Financial Statements

(All amounts are in Indian ₹ in lakhs, except for share data or as otherwise stated)

- ix

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and 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).
- x

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- xi

The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the current year and previous year.

47. The consolidated financial statements are approved for issue by the Company’s Board of Directors on May 12, 2026.

As per our report of even date
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No: 105047W/ W101187

Prakash Chandra Bhutada
Partner
Membership No: 404621

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Dr. D. R. Rao
Executive Chairman
DIN- 00107737

D. Sucheth Rao
Executive Vice Chairman
DIN- 00108880

D. Saharsh Rao
CEO & Managing Director
DIN- 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: May 12, 2026

Place: Hyderabad
Date: May 12, 2026

Form AOC-I

(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 / joint ventures

PART “A”: SUBSIDIARIES

	(₹ in lacs)	
Name of Subsidiary	Neuland Laboratories K. K.	Neuland Laboratories INC.
Country	Japan	U.S.A.
Reporting Currency	¥	US \$
Exchange Rate	0.59	94.78
Share Capital	15.37	0.45
Reserves & Surplus	126.62	735.55
Total Assets	223.35	924.15
Total Liabilities	223.35	924.15
Investments Made	-	-
Turnover	307.33	1852.74
Profit / (Loss) before Taxation	16.65	107.75
Provision for Taxation	6.18	28.88
Profit / (Loss) after Taxation	10.48	78.86
Proposed Dividend	-	-
% of shareholding	100%	100%

Notes:

- There is no subsidiary which is yet to commence operations.

For and on behalf of the Board of Directors of
Neuland Laboratories Limited

Dr. D. R. Rao
Executive Chairman

D. Sucheth Rao
Executive Vice Chairman

D. Saharsh Rao
CEO & MD

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary



BDO India Services Private Limited,
Magnum Global Park, Floor 21,
Archview Drive,
Sector 58, Golf Course Extn Road,
Gurgaon,
Haryana, - 122011

Independent Assurance Statement

To
Neuland Laboratories Limited,
11th Floor (5th Level), Phoenix IVY Building, Plot No. 573A-III,
Road No. 82, Jubilee Hills,
Hyderabad, 500033, Telangana

Independent Assurance Statement to Neuland Laboratories Limited on select non-financial disclosures in the Business Responsibility & Sustainability Report (BRSR) and Integrated Annual Report (IAR) for the financial year 2025-26.

Introduction and objective of engagement

Neuland Laboratories Limited (the 'Company') has developed its Business Responsibility and Sustainability Report ('BRSR') including the BRSR Core Indicators¹, based on the BRSR reporting guidelines prescribed by SEBI for listed entities. The reporting criteria have been derived from the Principles of National Guidelines on Responsible Business Conduct, 2018 (NGRBC), and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard. The Company has also developed its Integrated Annual Report 2025-26 ('IAR') based on the principles of the Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC). The BRSR would form a part of the IAR.

BDO India Sevcies Private Limited (BDO) was engaged by the Company to provide independent assurance on select non-financial sustainability disclosures in the BRSR and IAR (collectively, the 'Report') for the period 1st April 2025 to 31st March 2026.

The Company's responsibilities

The content of the Report and its presentation are the sole responsibilities of the Management of the Company. The Company's Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement.

BDO's responsibility

BDO's responsibility, as agreed with the Management of the Company, is to provide assurance on the BRSR Core Indicators and those of IAR as described in the 'Scope & boundary of assurance' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard and criteria

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement" issued by the International Auditing and Standards Board.

We applied the criteria of 'Reasonable' Assurance for non financial Core Indicators of BRSR (Business Responsibility & Sustainability Report), and criteria of 'Limited' Assurance for select non-financial information of the IAR (Integrated Annual Report).

Scope & boundary of assurance

The reporting scope and boundary cover the Company's standalone operations in India.

We have assured the BRSR Core Indicators, and the select sample of other non-financial GRI indicators presented in the IAR (as set out under Appendix 1 to this statement), pertaining to the Company's non-financial performance for the period 1st April 2025 through 31st March 2026.

Assurance methodology

Our assurance process entailed conducting procedures to gather evidence regarding the reliability of the disclosures covered in the assurance scope. The physical & virtual verification on sample basis was carried out at the following locations:

- **Corporate Office:** 11th Floor (5th Level), Phoenix IVY Building, Plot No. 573A-III, Road No. 82, Jubilee Hills, Hyderabad, 500033, Telangana;
- **Unit I:** Survey No: 291, 346P, 347, 348P, 473, 474 and 490/2, Veerabhadraswamy Temple Road Dornadugu Village, Obulapalli Village Mandal, Telangana 502307;
- **Unit II:** Plot No.: 92-94, 257-589, Patancheru, IDA Pashamylaram, Telangana 502307;
- **Unit III:** Survey No. 10, Plot No. 3-72, IDA Gadlapotharam Village, Jinnaram Mandal, Sangareddy Dist IDA, Gaddapotharam Rd, Telangana 502325;
- **Research & Development Centre:** Bonthapally, Hyderabad, Telangana.

These facilities, combined, represent material revenue generated by the Company. We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion/ omission of relevant information/ data in the Report. We used our professional judgement as Assurance Provider for selection of sample of the Company's locations/facilities and non- financial information for the verifications.

Our review process included:

- Evaluation of appropriateness of the quantification methods used to arrive at the non-financial/sustainability information of the BRSR Core Indicators;
- Review of consistency of data/information within the Report as well as between the Report and source;
- Engagement through discussions with personnel at both corporate and plant/facility levels who are accountable for the data and information presented in the Report;

¹ SEBI vide Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023



- Execution of an audit trail of claims and data streams, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of data collection and management procedures, and related internal controls.

Limitations & exclusions

There are inherent limitations in assurance engagement, including, for example, the use of judgment and selective testing of data. Accordingly, there are possibilities that material misstatements in the sustainability information of the Report may remain undetected.

The assurance scope specifically excludes:

- Data and information outside the defined reporting period (1st April 2025 to 31st March 2026);
- Review of the 'economic and/or financial performance indicators' included in the Reports, specifically, the financial information based on which such indicators are reported; we have been informed by the Company that these are derived from the Company's audited financial records;
- The Company's statements and claims related to any topics other than those listed in the 'Scope and boundary of assurance';
- The Company's statements that describe qualitative/quantitative assertions, expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

Our observations

The sustainability disclosures of the Company, as defined under the scope and boundary of assurance, are fairly reliable and the Company has appropriately consolidated data from different sources at the central level. Additionally, the Company may consider augmented processes for data management and internal verification for enhancing accuracy of reported information.

Our conclusions

Based on the scope of our review, we concluded that:

- Reasonable Assurance of BRSR Core indicators: The disclosures fulfil the principles of relevance, completeness, reliability, neutrality, and understandability as per 'reasonable' assurance criteria of the applied Assurance Standard;
- Limited Assurance of non-financial information in IAR: Nothing has come to our attention that causes us not to believe that the disclosures are presented fairly, in all material respects, as per the 'limited' assurance criteria of the applied Assurance Standard.

Our assurance team and independence

BDO India Services Private Limited is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organizations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organization. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India Services Private Limited



Indra Guha
Partner-Sustainability & ESG
Business Advisory Services
Gurugram, Haryana
3rd July 2026



Appendix 1

The select non-financial indicators considered under the scope of assurance are presented below:

Reasonable Assurance of BRSR Core indicators:

Sr. No.	Principle/ Indicator/ Reference	Attribute	Parameter
1	Principle 6-E7	Green-house gas (GHG) footprint	1. Total scope 1 emissions 2. Total scope 2 emissions 3. GHG emission Intensity (Scope 1 + 2): a) Total Scope 1 and Scope 2 emissions per rupee of turnover b) Total Scope 1 and Scope 2 emission per rupee of turnover adjusted for Purchasing Power Parity (PPP) c) Total Scope 1 and Scope 2 emission intensity in terms of physical output
2	Principle 6-E3 Principle 6-E4	Water footprint	1. Total water withdrawn 2. Total volume of water consumption 3. Water consumption intensity: a) Water consumption per rupee of turnover b) Water consumption per rupee of turnover adjusted for Purchasing Power Parity (PPP) c) Water intensity in terms of physical output 4. Water Discharge by destination and levels of Treatment
3	Principle 6-E1	Energy footprint	1. Total energy consumed 2. % of energy consumed from renewable sources 3. Energy intensity: a) Energy consumed per rupee of turnover b) Energy consumed per rupee of turnover adjusted for Purchasing Power Parity (PPP) c) Energy intensity in terms of physical output
4	Principle 6 - E9	Embracing circularity- details related to waste management by the entity	1. Total waste generated 2. Waste generated intensity: a) Waste generated per rupee of turnover b) Waste generated per rupee of turnover adjusted for Purchasing Power Parity (PPP) c) Waste intensity in terms of physical output 3. For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations 4. For each category of waste generated, total waste disposed by nature of disposal method
5	Principle 3 - E1(C) Principle 3 - E11	Enhancing employee wellbeing and Safety	1. Spending on measures towards well- being of employees and workers- cost incurred as a % of total revenue of the company. 2. Details of safety related incidents for employees and workers a) Lost Time Injury Frequency Rate (LTIFR) (per one million- person hours worked) b) Total recordable work-related injuries c) No. of fatalities d) High consequence work-related injury or ill-health (excluding fatalities)
6	Principle 5 - E3(b) Principle 5 - E7	Enabling Gender Diversity in Business	1. Gross wages paid to females as a % of total wages paid 2. Complaints on POSH a) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) b) Complaints on POSH as a % of female employees / workers c) Complaints on POSH upheld
7	Principle 8 - E4 Principle 8 - E5	Enabling Inclusive Development	1. Input material sourced from following sources as % of total purchases Directly sourced from MSMEs/ small producers and directly from within India 2. Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost
8	Principle 9 - E7 Principle 1 - E8	Fairness in Engaging with Customers and Suppliers	1. Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events 2. Number of days of accounts payable



9	Principle 1 - E9	Open-ness of business	1. Concentration of purchases & sales done with trading houses, dealers, and related parties a) Purchases from trading houses as % of total purchases b) Number of trading houses where purchases are made from c) Purchases from top 10 trading houses as % of total purchases from trading houses d) Sales to dealers / distributors as % of total sales e) Number of dealers / distributors to whom sales are made f) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors
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Notes:
1. For BRSR indicators, “E” denotes Essential Indicators.

Limited Assurance of select GRI indicators:

GRI Topic Standard	GRI Disclosure
GRI 2: General Disclosures 2021	2-1, 2-2, 2-3, 2-4, 2-6, 2-7, 2-8, 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, 2-21, 2-22, 2-23, 2-24, 2-25, 2-26, 2-27, 2-28, 2-29, 2-30
GRI 3: Material Topics 2021	3-1, 3-2, 3-3
GRI 202: Market Presence 2016	202-1
GRI 204: Procurement Practices 2016	204-1
GRI 205: Anti-corruption 2016	205-1, 205-2, 205-3
GRI 206: Anti-competitive Behavior 2016	206-1
GRI 101: Biodiversity 2024	101-1, 101-2, 101-4, 101-5, 101-6
GRI 302: Energy 2016	302-4
GRI 303: Water and Effluents 2018	303-1, 303-2
GRI 305: Emissions 2016	305-3, 305-5, 305-7
GRI 306: Waste 2020	306-2
GRI 308: Supplier Environmental Assessment 2016	308-1
GRI 401: Employment 2016	401-1, 401-2, 401-3
GRI 403: Occupational Health and Safety 2018	403-1, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
GRI 404: Training and Education 2016	404-1, 404-2, 404-3
GRI 405: Diversity and Equal Opportunity 2016	405-1, 405-2
GRI 406: Non-discrimination 2016	406-1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1
GRI 408: Child Labour 2016	408-1
GRI 409: Forced or Compulsory Labor 2016	409-1
GRI 411: Rights of Indigenous Peoples 2016	411-1
GRI 413: Local Communities 2016	413-1
GRI 414: Supplier Social Assessment 2016	414-1
GRI 415: Public Policy 2016	415-1
GRI 417: Marketing and Labelling 2016	417-1, 417-2, 417-3
GRI 418: Customer Privacy 2016	418-1

GRI Content Index

Statement of use	Neuland Laboratories Ltd has reported the information cited in this GRI content index for the period 1 st April 2025-31 st March 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	Location (Pg no)	Section/ Subsection Title	Remarks
GRI 2: General Disclosures 2021	2-1 Organizational details	179	BRSR: General Disclosures	
	2-2 Entities included in the organization's sustainability reporting	179	BRSR: General Disclosures	
	2-3 Reporting period, frequency and contact point	179	BRSR: General Disclosures	
	2-4 Restatements of information	2-3	Reporting Boundary	
	2-5 External assurance	2-3, 179	Assurance, BRSR: General Disclosures	
	2-6 Activities, value chain and other business relationships	179-180	BRSR: General Disclosures	
	2-7 Employees	98-99, 180-181	Talent Acquisition and Retention, BRSR: General Disclosures	
	2-8 Workers who are not employees	99, 180-181	Talent Acquisition and Retention, BRSR: General Disclosures	
	2-9 Governance structure and composition	146, 224-226	Corporate Information, Board of Directors	
	2-10 Nomination and selection of the highest governance body	226	Selection criteria of Board Members	
	2-11 Chair of the highest governance body	30-33, 191	Board of Directors, BRSR: Principle 1	
	2-12 Role of the highest governance body in overseeing the management of impacts	51-53, 60-61	Board Governance, ESG Governance	
	2-13 Delegation of responsibility for managing impacts	51-53, 60-61	Board Governance, ESG Governance	
	2-14 Role of the highest governance body in sustainability reporting	60-61	ESG Governance	
	2-15 Conflicts of interest	188-189, 191	BRSR: Principle 1	
	2-16 Communication of critical concerns	59, 238	Code of Ethical Conduct and Whistleblower Mechanism, Whistle Blower Policy	
	2-17 Collective knowledge of the highest governance body	30-33, 229	Board of Directors, Board Skills / expertise / competencies	
	2-18 Evaluation of the performance of the highest governance body	169, 233	Board Evaluation	
	2-19 Remuneration policies	170, 184	Nomination and remuneration committee, BRSR: Management and Process Disclosures	
	2-20 Process to determine remuneration	233-234	Remuneration Policy	
	2-21 Annual total compensation ratio	222	Annexure - 4: Particulars of Remuneration	
	2-22 Statement on sustainable development strategy	22-25, 47-49	In Conversation with Executive Vice-Chairman, ESG strategy	

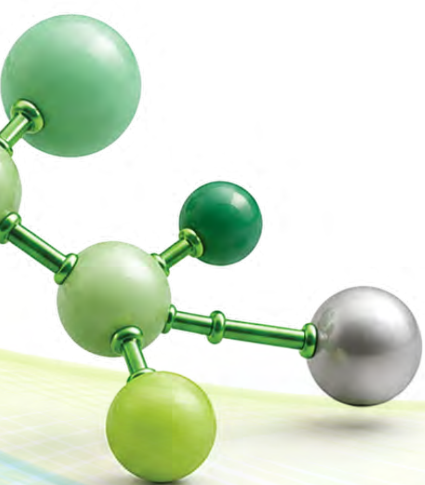
GRI STANDARD	DISCLOSURE	Location (Pg no)	Section/ Subsection Title	Remarks
	2-23 Policy commitments	185-185	BRSR: Management and Process Disclosures	
	2-24 Embedding policy commitments	184-185	BRSR: Management and Process Disclosures	
	2-25 Processes to remediate negative impacts	182, 196	BRSR: General Disclosures, BRSR: Principle 3	
	2-26 Mechanisms for seeking advice and raising concerns	59, 196	Commitment to Ethics and Compliance, BRSR: Principle 3	
	2-27 Compliance with laws and regulations	188-189	BRSR: Principle 1	
	2-28 Membership associations	107, 197	Human Rights, BRSR: Principle 3	
	2-29 Approach to stakeholder engagement	64-67	Stakeholder engagement	
	2-30 Collective bargaining agreements	107, 197	Human Rights, BRSR: Principle 3	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	40-46	Materiality	
	3-2 List of material topics	40-46	Materiality	
	3-3 Management of material topics	40-46	Materiality	
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	145	Biodiversity	
	101-2 Management of biodiversity impacts	145	Biodiversity	
	101-4 Identification of biodiversity impacts	145	Biodiversity	
	101-5 Locations with biodiversity impacts	145	Biodiversity	
	101-6 Direct drivers of biodiversity loss	145	Biodiversity	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	75	Economic Value Added	
	201-2 Financial implications and other risks and opportunities due to climate change	56, 60-61	Climate Risk Assessment and TCFD Reporting , ESG Governance	
	201-3 Defined benefit plan obligations and other retirement plans	195	BRSR: Principle 3	
	201-4 Financial assistance received from government	NA		Nil
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	104, 204-205	Living Wages, BRSR: Principle 5	
	202-2 Proportion of senior management hired from the local community	NA		Nil
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	80, 116, 216-217	Investing in Scalable and Future-Ready Infrastructure, Our CSR approach, BRSR: Principle 8	
	203-2 Significant indirect economic impacts	116, 216-217	Our CSR approach, BRSR: Principle 8	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	132-133, 216	Supplier Base and Spending, BRSR: Principle 8	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	189	BRSR: Principle 1	
	205-2 Communication and training about anti-corruption policies and procedures	189	BRSR: Principle 1	
	205-3 Confirmed incidents of corruption and actions taken	188-189	BRSR: Principle 1	

GRI STANDARD	DISCLOSURE	Location (Pg no)	Section/ Subsection Title	Remarks
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	215	BRSR: Principle 7	
GRI 207: Tax 2019	207-1 Approach to tax	74-75	Tax Strategy and Governance	
	207-2 Tax governance, control, and risk management	74-75	Tax Strategy and Governance	
	207-3 Stakeholder engagement and management of concerns related to tax	270-273	Independent Auditor's Report	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	139, 208	Energy Consumption, BRSR: Principle 6	
	302-2 Energy consumption outside of the organization	139, 208	Energy Consumption, BRSR: Principle 6	
	302-3 Energy intensity	139, 208	Energy Consumption, BRSR: Principle 6	
	302-4 Reduction of energy consumption	139	Energy Management	
	302-5 Reductions in energy requirements of products and services	NA		Neuland does not manufacture the final product
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	142	Responsible Water Management	
	303-2 Management of water discharge-related impacts	142	Responsible Water Management	
	303-3 Water withdrawal	142, 208	Water Withdrawal/Consumption, BRSR: Principle 6	
	303-4 Water discharge	209	BRSR: Principle 6	
	303-5 Water consumption	142, 208	Water Withdrawal/Consumption, BRSR: Principle 6	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	141, 210	Our Greenhouse Gas Emissions, BRSR: Principle 6	
	305-2 Energy indirect (Scope 2) GHG emissions	141, 210	Our Greenhouse Gas Emissions, BRSR: Principle 6	
	305-3 Other indirect (Scope 3) GHG emissions	141, 213	Our Greenhouse Gas Emissions, BRSR: Principle 6	
	305-4 GHG emissions intensity	141, 210, 213	Our Greenhouse Gas Emissions, BRSR: Principle 6	
	305-5 Reduction of GHG emissions	47-48, 140	Esg Strategy, Emissions Management	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	209	BRSR: Principle 6	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	143-145	Waste Management and Circular Economy	
	306-2 Management of significant waste-related impacts	143-145, 192-193, 214	Waste Management and Circular Economy , BRSR: Principle 2, 6	
	306-3 Waste generated	144, 211	Waste Generated , BRSR: Principle 6	
	306-4 Waste diverted from disposal	212	BRSR: Principle 6	
	306-5 Waste directed to disposal	143-145	Responsible Waste Handling	Zero waste is disposed to landfill

GRI STANDARD	DISCLOSURE	Location (Pg no)	Section/ Subsection Title	Remarks
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	133, 192	Supply Chain Performance Metrics; BRSR: Principle 2	
	308-2 Negative environmental impacts in the supply chain and actions taken	131-133	Supplier Relationships	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	99	Talent Acquisition and Retention	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	106, 195	Initiatives, Supportive Policies and Special Benefits, BRSR: Principle 3	
	401-3 Parental leave	105, 196	Advancing Employee Well-being, BRSR: Principle 3	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	NA		No significant operational changes during the year
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	108, 111	Occupational Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	108-111, 198-199	Occupational Health and Safety, BRSR: Principle 3	
	403-3 Occupational health services	111-112	Occupational Health Awareness	
	403-4 Worker participation, consultation, and communication on occupational health and safety	110, 112	Workforce Participation and Consultation, Workforce Coverage by OHS Management System	
	403-5 Worker training on occupational health and safety	102, 111, 112	Average training hours undertaken during FY 2025-26 , Occupational Health Awareness, Safety Practices	
	403-6 Promotion of worker health	105-106, 111-113	Advancing Employee Well-being, Safety Practices, New Safety Initiatives	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	111-113	Occupational Health Awareness	
	403-8 Workers covered by an occupational health and safety management system	112	Workforce Coverage by OHS Management System	
	403-9 Work-related injuries	113	Safety performance	
	403-10 Work-related ill health	110, 111	Minimising illness risks, Occupational Health Awareness	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	101-102	Employee Learning and Development	
	404-2 Programs for upgrading employee skills and transition assistance programs	101-102	Employee Learning and Development	
	404-3 Percentage of employees receiving regular performance and career development reviews	197	BRSR: Principle 3	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	104	DEI inclusion in Balanced Score Card	
	405-2 Ratio of basic salary and remuneration of women to men	103-104	Diversity, Equity and Inclusion, Gender Pay Parity	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	205-206	BRSR: Principle 5	

GRI STANDARD	DISCLOSURE	Location (Pg no)	Section/ Subsection Title	Remarks
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	107	Human Rights	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	192, 207	BRSR: Principle 2, 5	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	207	BRSR: Principle 5	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	205-206	BRSR: Principle 5	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	116	Neuland’s CSR Framework	
	413-2 Operations with significant actual and potential negative impacts on local communities	IU		We haven’t carried out any formal assessments
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	133	Supply Chain Performance Metrics	
	414-2 Negative social impacts in the supply chain and actions taken	IU		No formal assessment(s) carried out
GRI 415: Public Policy 2016	415-1 Political contributions	189	BRSR: Principle 1	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	NA		We do not manufacture the final product(s)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	NA		We do not manufacture the final product(s)
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labelling	219	BRSR: Principle 9	
	417-2 Incidents of non-compliance concerning product and service information and labelling	218	BRSR: Principle 9	
	417-3 Incidents of non-compliance concerning marketing communications	218	BRSR: Principle 9	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	218	BRSR: Principle 9	

Legend: NA = Not Applicable ; LP = Legal Prohibitions; CC : Confidentialty Constraints and IU- Information unavailable/incomplete



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